

Louie Glenn Collier, Huntsville.  
William B. Hardegree, Talladega.  
Minnie L. Garrett, Uriah.

## CALIFORNIA

Lois E. Walton, Monte Rio.  
Marshall E. Walden, Newman.

## FLORIDA

Joe Sidney Savary, Inverness.  
Ethel L. Haddock, Newberry.

## GEORGIA

Sara A. Sandifer, Locust Grove.  
Marie E. Harrell, Pearson.  
Nancy A. W. Griffis, Screven.  
Etta Sneed Arnall, Senoia.  
Pearl E. Hughs, Stillmore.  
Moline Allgood, Temple.  
Jesse W. Slade, Zebulon.

## IDAHO

Elsie H. Welker, Cambridge.

## IOWA

Hiram L. Mann, Adel.  
Laurence E. Kucheman, Bellevue.  
Allen Wise, Decorah.  
Mabel J. Arnold, Garden Grove.  
John Vanderwicker, Grundy Center.  
Otis H. O. Nelson, Humboldt.  
Wallace H. Blair, Lamoni.  
Ernest H. Ross, Logan.  
Kathryn D. Eden, Manning.  
William B. Perkins, Seymour.

## MARYLAND

Evelyn B. McBride, Street.

## MISSISSIPPI

Cecil W. Tinnin, Isola.  
Isaac M. Jackson, Iuka.  
Roy S. Burroughs, Kosciusko.  
Robert H. Redus, Starkville.  
Charles M. Jaco, Winona.

## MISSOURI

Birdie Lee See, Corder.  
Earl L. Smithson, Exeter.  
Roy Carter Hendren, Hamilton.  
John Earle Lyons, Higginsville.  
Elton C. Cook, Lathrop.  
Kathryn Barry, Mendon.  
John P. Martin, Monett.  
Lula Young, Niangua.  
Max L. Kelley, Steele.

## NEW MEXICO

Ruth L. Thomas, Corona.

## NEW YORK

Charles W. Dunn, Calcium.  
Albert Werner, Gardenville.  
Truman E. Brown, Wells.

## SOUTH CAROLINA

Katie Lee McIntyre, Clio.  
Fred L. Timmerman, Graniteville.  
Dixon D. Davis, Greenville.  
Oleda H. Garrett, North Charleston.

## TEXAS

Maggie P. Rhew, Anderson.  
Ella Bartlett, George West.  
Ira S. Koon, Hallsville.  
Nellie Magowan, Mathis.  
Albert C. Finley, Meadow.  
Otto V. Hightower, Odem.  
Grover C. Stephens, Sierra Blanca.  
Thomas C. Murray, Sonora.  
Clara M. Bean, Van Horn.  
James Mitchell Pittillo, Waco.

## UTAH

Raymond F. Walters, Price.

## WASHINGTON

Andrew H. Byram, Millwood.

## WEST VIRGINIA

Howard E. West, St. Marys.

## HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 10, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Master of eternal light and love, breathe upon our waiting souls and give courage and vision for this day. Teach us to lay hold on the duty of each hour that the bow of the morning may become the promise and prophecy of the evening. O God, this turbulent world, torn and battle-scarred through ages of greed and lust, is facing the barren desolation of war. O give it deliverance from the hands of pagan jealousy, distrust, and the chaff of disaster, which is the only bread that will be served its perishing soul. Almighty God, it needs not better machinery nor organization but better men and regeneration; O lift it up from its threatened barbarities and cruelties. Gracious Lord, be with our Speaker and the entire Congress. Endow them richly with good health, wisdom, and knowledge. Lead them on through the daylight for which our country and the world have been waiting. As a loving Heavenly Father, dwell in our homes as our guest and benefactor at our firesides. Give Thy abiding grace to the mind, soul, and body of our President. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

## CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to ask the majority leader in reference to the bills that are to come up. I understand we are going to have the appropriation bills and a couple of other small bills, but nothing is ever mentioned about the tax bill. Does the majority leader expect to have a tax bill on the floor of the House soon?

Mr. BANKHEAD. Of course the gentleman knows we are going to bring in a tax bill as soon as it can be properly considered.

Mr. RICH. The gentleman expects to have that?

Mr. BANKHEAD. Certainly.

Mr. RICH. I hope you will have a good one.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

## SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE-PENSION PLANS

Mr. BELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the immediate consideration of a resolution which the Clerk will report.

The Clerk read as follows:

## House Resolution 443

Resolved, That the Speaker appoint a select committee of eight Members of the House and that such committee be instructed to inquire into old-age-pension plans with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, with special reference to the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension legislation

or schemes, and that such committee be further instructed to inquire into the history and records of the various proponents, operators, promoters, or schemers now engaged in promoting such legislation or schemes and to gather and collect all facts and information relative thereto which would not only be of public interest but which would aid Congress in enacting any remedial legislation upon said subject, including any lobbying and propaganda in connection therewith, and inquire into their various methods of raising and collecting money, and to examine their books, papers, and records, and to inquire as to the disposition, holding, spending, or appropriation of such moneys so collected. That said inquiry and investigation are material and necessary to the proper performance by Congress of its legislative functions and duty relative to the legislation hereinbefore mentioned and as an aid to such legislation. And the committee shall have the right to report to the House at any time the results of its investigations and recommendations for other or additional legislation upon said bill or any other proposed legislation relative to old-age pensions.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Resolved further, That in the event the committee transmits its report to the Speaker at a time when the House is not in session, as authorized in House Resolution No. 418, current session, a record of such transmittal shall be entered in the proceedings of the Journal and CONGRESSIONAL RECORD of the House on the opening day of the next session of Congress and shall be numbered and printed as a report of such Congress.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker, would the gentleman from Missouri [Mr. BELL] explain the difference between this resolution and the resolution that was adopted by which we authorized the committee to conduct hearings and make an investigation of the Townsend movement and other old-age-pension movements?

Mr. BELL. Mr. Speaker, there is a paragraph added right at the end of this amended resolution providing for the method of filing the report. The chairman of the Committee on Accounts thought that should be added in order to clarify the manner in which the report is to be printed.

Then in the body of the resolution there is specific mention of H. R. 7184—or whatever the number of the McGroarty bill is. It was felt that would clarify the situation by specifically mentioning that bill.

Mr. ZIONCHECK. May I further ask this question of the gentleman from Missouri? It is the gentleman's understanding that I have filed petitions, but at no time have I expressed myself as being in opposition to the Townsend plan or like plans? Is that the gentleman's understanding?

Mr. BELL. As far as I know, that is correct. I do not know.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MASSINGALE. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Missouri whether or not there is any appropriation carried in this resolution?

Mr. BELL. Not in this resolution. There will be a separate resolution covering the appropriation.

The SPEAKER. Is there objection to the request of the gentleman from Missouri for the immediate consideration of the resolution?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

#### WORLD COTTON SITUATION

The SPEAKER laid before the House the following communication, which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

DEPARTMENT OF AGRICULTURE,  
Washington, D. C., March 7, 1936.

The honorable the SPEAKER OF THE HOUSE.

DEAR MR. SPEAKER: There is submitted herewith, pursuant to House Resolution 430, a copy of the first draft of the World Cotton Situation, part II, Cotton Production in the United States, as mimeographed for reading within the Department. This copy has been marked to show all changes between this first draft and the report as issued February 1936. For convenience in comparison, changes in the original draft are marked with red. The inserts and substitutions are taken from a copy of the final report to show where and how they appeared in that report. The changes are listed in a typed summary, page by page. A copy of the final report as issued is also attached.

Sincerely yours,

R. G. TUGWELL,  
Acting Secretary.

The SPEAKER. Under the special order of the House the Chair recognizes the gentleman from Pennsylvania [Mr. STACK] for 15 minutes.

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a short letter I just received this morning in relation to my record on labor legislation during my time in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, ladies and gentlemen of the House, I am loathe to trespass on the valuable time of the House concerning my picayune difficulties with the usurpers of the Democratic leadership back home. If it were only I that were involved, I would not do so, but my constituents in the district are also involved.

Coming home from church last Sunday morning a friend of mine handed me a copy of the Sunday Morning Inquirer, that mouthpiece of Republicanism and Toryism in Philadelphia. He called my attention to an article written by John M. Cummings captioned "Psychological Aspects of McCloskey-Stack Feud", which said, among other things:

Mr. McCloskey is said to have a few other counts in his indictment. For one thing, the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.

That got under the skin of Senator GUFFEY; and if there's anything that irritates GUFFEY more than the allotting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.

STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution, he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

Mr. Cummings in his article, inadvertently or otherwise, has digressed from the truth in what I have just read for you. First, he said "STACK got the goat of the whole Democratic outfit the other day", and so forth.

I did not know that we Democrats had a goat that could be gotten. I thought we had a donkey. [Laughter and applause.]

Second, he erred when he said that I did not sign the Frazier-Lemke petition until I was "tagged for political execution", and so forth. That is not so. I signed the Frazier-Lemke petition long before my so-called political execution.

And thirdly, he erred—and I think, ladies and gentlemen, you will agree with me—when he said that my signing of the Frazier-Lemke petition was my "only offense against the orders of the President."

I never heard our President give those orders. Did any of you ladies and gentlemen here in the House hear him give those orders? If so, for my sake, and for the sake of the Frazier-Lemke bill, tell us. My first offense against the so-called orders of the President was when, fortified by a campaign pledge, I voted for the bonus and voted to override the President's veto.

My second offense, and, I believe, my only other offense, was when I refused to vote on the administration's banking bill the last session. I did this because in that bill I did not think our President lived up to the promise he made to you and to me and to the people of the United States and to the



world, when he was inducted into office on March 4, 1933, when he said he would chase the money changers out of the temple.

Again quoting Mr. Cummings' article, which is a very well written article, you will agree, I would like to ask at this point unanimous consent to have it inserted in the RECORD because I think you will all enjoy reading it.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ZIONCHECK. Reserving the right to object, who is this Mr. Cummings?

Mr. STACK. He is a political newspaper writer back home.

Mr. ZIONCHECK. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The article referred to is as follows:

PSYCHOLOGICAL ASPECTS OF M'CLOSKEY-STACK FEUD

By John M. Cummings

Some authorities, both in Europe and America, maintain that many of the ills with which the human race is afflicted can be traced quite definitely to a neurosis springing from an unhealthy psychosis. Others just as stoutly insist the reverse is true and support their contention with proof which, on the surface at least, looks plausible enough.

This latter school of thought prefers to place primary emphasis on the psychosis. Otherwise, it is argued, and leaving the neurosis out of consideration for the moment, the proposition, as stated, if carried to its logical conclusion, means, if it means anything, that there could be no haltosis, and that certainly would wreak untold havoc on the manufacturers of mouth wash.

The controversy between the advocates of neurosis and the proponents of psychosis has been going on for centuries. Herodotus, the father of history, in his immortal work, *The Battle of the Boyne*, tells us this very question plunged the Seminole Indians into such frightful internecine warfare that the tribe was split into two branches which to this day live in separate swamps in the Florida Everglades.

Jack Kelly, by the way is in Florida, but he's not living with the Seminoles. He likes the Tammany Tribe.

History is replete with instances of earthquakes, floods, and other untoward manifestations of Nature, due, in whole or in part, to the terrible consequences of this interminable argument.

Years and years ago a man named Schultz popped the question at the annual clambake and ox roast of the New Jersey Society of Psychologists in a picnic grove at the foot of Mount Vesuvius.

Heat engendered by the lively discussion that followed blew the top off the hill. Fire and brimstone were scattered for miles around, virtually ruining a couple of prosperous towns; and from the bowels of the earth there was belched the bones of citizens, many of them laid away with pomp and ceremony when the world was young.

It is worth recording here that when Napoleon set foot on the soil of France on his return from Elba March 1, 1815, his first question to a saluting gendarme was:

"Who's ahead—neurosis or psychosis?"

"Nuts," said the gendarme.

"Well said," said Napoleon.

Lack of space forbids further elaboration of well-authenticated historical instances in which neurosis v. psychosis has played a prominent part in shaping the destinies of mankind. These few facts are set down here not with any intention of parading the profound knowledge with which this department is crammed but merely to emphasize it is no small, mean, or paltry issue that has split the Democrats of West Philadelphia just as you would cleave a hard-boiled egg with a hatchet.

Old men stroked their whiskers and young men scratched their heads a few days back when Matthew H. McCloskey astounded the world by announcing MICHAEL J. STACK is to be denied renomination for Congress on the Democratic ticket. No one could figure what it was all about.

To begin with, Mr. McCloskey is not an official of the Democratic Party. Neither is he a resident of the district which Mr. STACK represents at Washington.

But here was Mr. McCloskey, blandly and with no apparent effort to conceal his assurance, telling Mr. STACK his days as a Congressman were numbered.

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he has been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

Now it comes out that Mr. McCloskey belongs to the school of psychologists that places neurosis before psychosis, and that Mr. STACK is enrolled in the school that gives psychosis priority over neurosis. At least that's the best explanation that has been offered so far.

Thus it would appear the match that touched off Vesuvius, the issue that split the Seminole Indians, and the question that was on Napoleon's tongue when he returned from Elba now rises to plague the Democrats in the region beyond the Schuylkill.

Mr. McCloskey is said to have a few other counts in his indictment. For one thing the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.

That got under the skin of Senator GUFFEY, and if there's anything that irritates GUFFEY more than the allotting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.

STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

These, of course, are mere political phases of the West Philadelphia situation. Most people prefer to believe Mr. McCloskey and Mr. STACK drifted apart because of a difference of opinion on the neurosis-psychosis issue.

Again quoting from Mr. Cummings' article:

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he had been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

My dear Mat, in the name of the decent people west of the Schuylkill to the county line, and from Overbrook and Wynnefield to the municipal airport in Eastwick, which is now being constructed by W. P. A. funds, I shall answer the question for them and accept your challenge to drive me out of Congress.

My dear Mat, for your information the days of Matt Quay, Boies Penrose, Jim McNichol, and Bill Vare have gone forever in my district. I do not think the people in my district will stand for slate-making behind closed doors and vote for whomsoever you may wish. You did not want me down here in Congress in the first place, Mat. You opposed me last May a year ago in my own ward when you sent your henchmen, Jim Shields, Turk Connolly, and others to defeat me. You remember well, Mat, the methods you used. But the people of my district, God bless them, want me, and the result then showed they wanted me. I feel satisfied they want me now, also my associates who are running for office with me.

They appreciate the fact that I am trying to be of service to them; and, after all, that is the only way and the best way that I know how to represent them. They appreciate the fact that I am in my office here in Washington every day until 8 or 9 o'clock at night. They appreciate the fact that I go home every week end and sit down in my little office and listen to their trials and troubles. They appreciate the fact that I am trying to take care of all the unemployed in my district regardless of party or politics.

Well, now, Mat, if you do not like that kind of a Congressman, it is too bad. But I do not think you can do anything about it, for I am satisfied that when the smoke of battle is over next April 28 that I will be renominated, and every candidate from the Schuylkill to the county line and from Overbrook and Wynnefield to the municipal airport in Eastwick associated with me will also be nominated.

My dear Mat, as a veteran who fought and bled for his country, I am interested in the veterans because I know their needs. As a veteran who was signally honored by his country and your country, I have taken care of some 800 actual veteran cases in the short time that I have been down here.

My dear Mat, do you not like my 100-percent labor record? Well, I do not think it will make any difference, for organized labor will answer that question for me and for you at the polls April 28.

Do you not want me down here because of my record for postal employees, and particularly the substitute post-office employees? They, too, will answer that question for you, because they have benefited directly by my work down here. And now, Mat, you really are not against me personally; I think you are just a wee bit afraid of me.

Mr. Speaker, in my district there is under construction a municipal airport financed by W. P. A. money—your money, my money, the people's money—and if you please, I am directing my remarks at this point to the Honorable Harry Hopkins, National Administrator of the Works Progress Administration, and to Mr. Ed Jones, Pennsylvania State Administrator of the Works Progress Administration, to please not let Mat McCloskey and his henchmen try to club the W. P. A. workers into voting for whom Mat McCloskey wants them. I am also asking those gentlemen to please not to show political favoritism to the new workers that are now being hired in the airport.

Mr. MORITZ. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield.

Mr. MORITZ. I want to say that the gentleman from Pennsylvania has made a very fine record in Congress—even voted for the utility-bill "death sentence", which some of the "big shots" of the Democratic Party did not do.

Mr. STACK. I thank the gentleman for his contribution. I voted for these recovery measures and the relief measures, and, as a Democrat, I am telling you right now that I know no party lines when it is a question of suffering and want. I am hoping that the people, the decent people of my district, who, through no fault of their own, are hungry and without jobs, will be given help through the W. P. A. [Prolonged applause.]

Mr. Speaker, I wish to read the letter to which I referred earlier in my remarks setting forth my legislative record on measures of interest to labor.

WASHINGTON, D. C., March 2, 1936.

HON. MICHAEL J. STACK,  
Member, Sixth Congressional District of Pennsylvania,  
House Office Building, Washington, D. C.

DEAR MR. STACK: I herewith submit your legislative record on measures of interest to labor as compiled by the legislative department of the American Federation of Labor:

Pennsylvania, Sixth Congressional District, Representative Michael J. Stack, Democrat, residence, Philadelphia

Seventy-fourth Congress:

	Attitude toward labor
Apr. 19, 1935: Passage of Social Security Act.....	Favorable.
July 17, 1935: Vote on Clark amendment to security bill introduced in Senate to kill the measure.....	Favorable.
July 17, 1935: Instructing House conferees to continue opposing Clark amendment to security bill.....	Favorable.
Aug. 19, 1935: Vote on passage of Guffey-Snyder coal bill.....	Favorable.
Favorable to labor.....	4
Paired favorable to labor.....	0
Unfavorable to labor.....	0
Paired unfavorable to labor.....	0
Not voting.....	0
Answered "present".....	0
Total.....	4

The Wagner-Connelly Act is not listed above because it did not require a roll-call vote in the House. We have observed that you voted favorable to labor against all amendments introduced which would have destroyed the rights of labor to organize and bargain collectively with their employers. Your support of the bonus bill was also commendable.

We of labor, judging from your past performances, have confidence in you to continue this grand labor record, so that all the millions of working men and women of this Nation will benefit by your courage and devotion in giving expression to your principles to support constructive labor legislation.

Your constituents should be well proud of your achievements during this unemployment crisis, to be recorded with a 100-percent labor legislative record in the past Congress.

With best wishes for success, I remain,

Sincerely yours,

JAMES M. MYLES,  
Vice President, Legislative Representative.

[Here the gavel fell.]

TO COMPLETE RECORDS AND OPERATIONS UNDER THE TOBACCO,  
COTTON, AND POTATO ACTS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 514, authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935—repealed—and making funds available for those and other purposes.

Mr. TABER. Mr. Speaker, I think under the circumstances the resolution ought to be reported in full before

we take up the question of its consideration; and I make the reservation of the right to object to ask that the Clerk read it.

The SPEAKER. The Clerk will read the resolution.

The Clerk read as follows:

[H. J. Res. 514, Rept. No. 2144, 74th Cong., 2d sess.]

Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes

Resolved, etc., That not to exceed \$1,068,825 (to be available until Sept. 1, 1936) of the appropriation of \$296,185,000 for "Payments for Agricultural Adjustment" contained in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public Act No. 440, 74th Cong.), may be used by the Secretary of Agriculture for the following purposes:

(1) So much as may be necessary, not to exceed the sum of \$1,026,000 (notwithstanding the repeal by Public Act No. 433, 74th Cong., of Public Law No. 483, 73d Cong., as amended, known as the Kerr Tobacco Act, and Public Law No. 169, 73d Cong., as amended, known as the Bankhead Cotton Act of 1934, except sec. 24 thereof, and secs. 201 to 233, both inclusive, of Public Law No. 320, 74th Cong., known as the Potato Act of 1935), for the redemption of tax-payment warrants as provided in such Kerr Act, including administrative expenses necessary therefor; for salaries and administrative expenses incurred on or before February 10, 1936, under such three acts, or sections of acts, repealed; for such personal services and means in the District of Columbia and elsewhere, including rent, printing and binding, travel, and other administrative expenses incurred after that date as the Secretary of Agriculture and the Commissioner of Internal Revenue, respectively, deem necessary, in order expeditiously to complete and preserve all of the administrative records showing the various transactions and activities involved in the administration of such acts; and, if no other funds are available, for such salaries and administrative expenses as were incurred on or before February 10, 1936, in the operation of the several cotton tax-exemption certificate pools established pursuant to regulations prescribed under said Bankhead Act, and such salaries and administrative expenses thereafter incurred as the Secretary of Agriculture finds to be necessary for the purpose of completing the work relating to and liquidating, as soon as may be, such pools.

(2) So much as may be necessary, not to exceed the sum of \$42,825, for salaries and necessary administrative expenses, to complete the work of auditing vouchers and payment of freight bills in transactions entered into by the Secretary of Agriculture with relation to the purchase and sale of seed as a result of the allocations to the Secretary of Agriculture authorizing the purchase and sale of seed made pursuant to the Emergency Appropriation Act, fiscal year 1935.

The Secretary of Agriculture shall transfer to the Treasury Department, out of the funds made available by this joint resolution, such sums (not to exceed a total of \$175,000) as are required for the Bureau of Internal Revenue to carry out the above-stated purposes.

Sec. 2. The sum of \$453,100 of the appropriation of \$296,185,000 referred to in section 1 hereof shall be returned to surplus immediately upon the enactment of this joint resolution.

With the following committee amendment:

Page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

Mr. TABER. Mr. Speaker, further reserving the right to object, I think the chairman of the Committee on Appropriations ought to explain the resolution briefly before consent is given for its consideration.

Mr. BUCHANAN. Mr. Speaker, this is a resolution making available \$1,068,825 for the purpose of winding up the Bankhead Cotton Act, the Kerr-Smith Tobacco Act, and the Potato Act. You will recall we enacted a law repealing these three acts on February 10, 1936, but we did not pass legislation authorizing the winding up of outstanding affairs under these acts and the payment of any salaries that had been earned but not paid. We left the whole thing up in the air. There are now several thousand people who worked in the field under these acts who have not been paid from November 15 to February 10, the date on which the acts were repealed.

The major part of this money is to pay these earned salaries that are honestly due these people for labor performed for the Government and to settle other due obligations.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BUCHANAN. Yes.

Mr. SNELL. It was given out to the country through newspaper reports, I understand, that nothing special had been done toward enforcing the Potato Act. Can the gentleman inform us as to how many men were employed under the provisions of the Potato Act?



Mr. BUCHANAN. Yes; something was done to enforce the Potato Act. For several months they tried to enforce the Potato Act, or tried to administer the Potato Act, but those months were not during the season for the sale of potatoes. The revenue coming from it was infinitesimal. It will be remembered that the Committee on Appropriations brought in a bill to make temporary provision for administration of the Potato Act, but the House knocked it out. Something was done under that act. This appropriation carries only \$11,000 for clean-up under the Potato Act.

Mr. SNELL. Is that all that has ever been expended in connection with carrying out the terms of that act?

Mr. BUCHANAN. No; there was some expenditure theretofore, when the act first went into effect and prior to the time Congress convened this session, but not much, because it was not the potato season.

Mr. SNELL. A small amount of money was spent during the last fall and summer under the Potato Act, was there not?

Mr. BUCHANAN. Yes.

Mr. SNELL. Can the gentleman give us those figures?

Mr. BUCHANAN. I do not have them with me, but I can find out for the gentleman.

Mr. SNELL. But there are practically none under it at the present time, as I take it from this statement.

Mr. BUCHANAN. None at all since February 10.

Mr. TABER. Mr. Speaker, if the gentleman will yield, I think the expenditures under the Potato Act down to the time we had our hearings on the supplemental bill ran about \$25,000. I do not attempt to give these figures accurately, but that is my recollection.

Mr. BUCHANAN. I will say to my colleague that the \$11,000 in this resolution for that act is for the liquidation of outstanding obligations, most of which was for printing the potato stamps.

Mr. SNELL. As I understand, practically all these people are to be retired immediately. Is that the idea of this resolution?

Mr. BUCHANAN. The idea is to wind up the activities under all three acts. Many of these employees in the field had to give bond for the proper handling of potato stamps, tobacco stamps, and tax-exempt certificates and exemption certificates for cotton. We must wind this up so these people can be discharged from their bonds.

Mr. SNELL. There will be no more field employees in connection with these acts after this date?

Mr. BUCHANAN. After the expenditure of this money there will be no more field employees.

Mr. SHORT. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, all three of these acts were a part of the original A. A. A.

Mr. BUCHANAN. No. They were separate acts.

Mr. SHORT. But under the A. A. A. program?

Mr. BUCHANAN. It might be said under the New Deal program.

Mr. SHORT. Since the Agricultural Adjustment Act has been declared invalid by the Supreme Court, I understand 5,600 employees of that agency are still on the pay roll. This includes all of them, with the exception of possibly 1,000 that were laid off this morning.

Mr. BUCHANAN. It will be recalled that we passed an appropriation on February 11 appropriating \$296,185,000 for the liquidation of contracts that had been entered into under the A. A. A., where the farmers had entered into obligations, therefore there are men employed in the process of liquidating these obligations.

Mr. SHORT. I was asking the gentleman for information.

Mr. BUCHANAN. I am giving it.

Mr. SHORT. I want to know how many men were employed to administer these three acts who are still on the pay roll?

Mr. BUCHANAN. There are none on the pay roll under these specific acts. Everything has been suspended and stopped.

Mr. RICH. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understood it, the purpose of the A. A. A. was to curtail production. From May 12, 1933, to December 31, 1935, according to the crop report of the Department of Agriculture, the Government paid over \$250,000,000 to wheat growers to curtail the production of wheat, but the wheat acreage increased 17,577,000 acres. There was a similar increase in tobacco acreage of 187,700 acres, and in cotton 402,000 acres. Why did the A. A. A. so miserably fail? It was a mighty fine thing that somebody stopped this worthless expenditure of funds to accomplish certain things when it did just the opposite.

Mr. BUCHANAN. The farmers of the Nation do not think the A. A. A. failed.

Mr. Speaker, there is one more item in this bill. Under the emergency appropriation granted to the President he made an allotment to the Secretary of Agriculture for the purpose of buying seed grain with which to supply drought-stricken areas. Under this allotment there was bought about \$19,000,000 worth of seed, including wheat, corn, flax, oats, sorghum, and so forth. This seed was distributed, and in distributing it grain elevators were employed as agents. There were 2,200 grain elevators so utilized. The grain was in the grain elevators. There was a charge for putting the grain in the elevators and taking it out of the elevators and there are freight bills to be paid. The fiscal year has passed and the money with which to wind up this act is not available. The Comptroller General has ruled that the money is not available. Therefore there is money due for the shipment of this grain by the railroads, and so forth. These accounts have not been audited, and they must be audited and straightened out. There is \$42,000 provided for that.

There is one more feature connected with this resolution about which I should speak. When the matter first came up the Department estimated that it would take \$1,521,925 for these purposes. As the result of the committee's hearings, we ascertained that \$1,068,825 would be sufficient. This was accomplished by a revision of the amounts for the Department of Agriculture and the Bureau of Internal Revenue, reducing the total by \$453,100. This amount, by the terms of the resolution, will be taken away from the appropriation and carried to surplus. The committee felt that if \$1,521,925 could be spared from the \$296,185,000 that whatever part of the \$1,521,925 that was not needed for these purposes should be saved, and we so provided. The Secretary of Agriculture, in a letter printed in the hearings, said that the \$296,185,000 was sufficient to cover the \$1,521,925, as well as to cover the other purposes for which it was appropriated.

This covers generally the entire situation.

Mr. Speaker, there is an amendment to the joint resolution, and I ask for a vote.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and

S. 2889. An act to authorize settlement, allowance, and payment of certain claims.

The message also announced that the Senate had ordered that the Secretary be directed to notify the House of Repre-

sentatives that the Senate is now organized for the trial of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; also that a summons to the accused be issued as required by the rules of procedure and practice in the Senate when sitting for the trial of the impeachment against the said Halsted L. Ritter, United States district judge for the southern district of Florida, returnable on Thursday, the 12th day of March 1936, at 1 o'clock in the afternoon.

#### PENSIONS TO WIDOWS AND ORPHANS OF WORLD WAR VETERANS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I want to call the attention of the Members of the House to H. R. 11715, which I have introduced. This bill provides pensions to widows and orphans of World War veterans regardless of the cause of the veteran's death. We have a large number of border-line cases whose dependents, under existing law, cannot participate in any pension or allowance benefit.

This benefit has by the Congress heretofore been given to the dependents of Spanish-American War veterans and to the veterans of other wars. I believe it is now time for the Congress to favorably consider this relief for the dependents of deceased World War veterans.

Under existing law, for the widows and orphans of World War veterans to obtain compensation or pension benefits the veteran must die either from service-connected disability or at the time of his death be receiving service-connected compensation in the degree of 30 percent or greater.

Recently in my district we have had several very pathetic cases where the veteran died while not receiving service-connected compensation, and where under existing law the Veterans' Administration is unable to allow service connection as the cause of the death of the veteran. These widows and orphans are left without pension or compensation or support.

It has now been 17 or 18 years since the close of the World War, and I believe that it is only fair and just that this bill should be enacted providing for these benefits. The particular necessity for it has been increased during the past depression years, when so many widows and orphans have been placed in dire financial need.

During the Seventy-first Congress I introduced a bill similar to H. R. 11715, and the House of Representatives later passed the substance of this bill, but it did not pass in the Senate. Practically everyone agrees that this legislation is just and should be reenacted, and I hope my colleagues will cooperate for its immediate enactment before the Congress adjourns.

There is also pending H. R. 9164 which I introduced and which would reestablish the disability allowance for disabled World War veterans. This would give pension to those who are disabled, not service connected, to a degree less than 100 percent. For 25-percent disability they would be allowed \$12 per month; 50 percent, \$18; 75 percent, \$24; and for total disability not service connected they would be allowed \$40 instead of the \$30 which is now received under existing law.

Mr. Speaker, I believe we should reestablish this allowance. There are a large number of World War veterans today who are disabled less than 100 percent and now existing on W. P. A. and other Federal relief-works organizations. I believe it is not only economy but justice that we reenact this disability allowance act which was repealed in 1933.

There are a large number of border-line cases where the veteran has less than 100-percent disability and where evidence has been submitted purporting to establish service connection, but it has been held by the Veterans' Administration not sufficient to allow service connection of disability. This bill would allow pension in such cases providing the veteran has 25 percent or greater disability. Practically all border-line cases would be taken care of through the passage of this bill. In addition to border-line cases, all vet-

erans who are disabled 25 percent or greater from any cause would share in these small benefits. Veterans of other wars have been given, in the due course of time, disability pensions regardless of the service connection of such disability, and I think it only fair and just that we should pass at this session of Congress this bill. I urge the cooperation of my colleagues for passage before adjournment.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 437.

The Clerk read as follows:

#### House Resolution 437

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is an open rule for the consideration of the bill H. R. 11365, pertaining to income-tax returns.

The Rules Committee gave two hearings on it and heard not only the members of the committee but representatives of the Treasury Department. As explained to us, when in the last session we repealed the pink-slip law, there was inserted in that bill in the Senate, and agreed to by this House, a provision permitting State and local taxing authorities to inspect the returns of taxpayers on application to the Governor or the State taxing commission for the purpose of checking taxes in their own communities. That bill as passed provided for the issuance of regulations of the Internal Revenue Bureau requiring copies of income-tax returns to be filed. On the blanks sent out this year, both on the original and the duplicate or green sheet, it is stated at the top, "A copy must be filed." It was found there was no penalty in case a duplicate or copy was not filed and that some taxpayers were not filing the duplicate, and that some organizations even were advising taxpayers not to file the duplicate.

The Treasury Department and the Committee on Ways and Means convinced the Rules Committee that the best interests of the Government required the filing of a duplicate return and that it was not an imposition on the taxpayer. I may say we started out in the Rules Committee a little reluctant to grant the rule for the consideration of this bill, until we were finally convinced that the best interests of the Government required that we do so. We were told that of the 6,000,000 returns which will be filed this year, as estimated, about two and a half million are sent to Washington, they being the returns on incomes over 5,000. About 750,000 of these returns are then sent into the field for investigation. About 400,000 are investigated each year, and there is only 1 year in which to investigate them, because another income tax comes along a year later. It is estimated that by reason of this investigation the Government receives \$300,000,000 a year in additional taxes. If the local taxing authorities were entitled to inspect the return and there was only one copy, this would interfere with the investigations in the field and the collection of this additional tax for inspection, as the original returns would have to be retained; whereas, under the regulation requiring a duplicate copy, the copy may be kept in the local collector's office and the originals of the larger returns sent to Washington.

By this procedure there is no interference with the operations of the Commissioner of Internal Revenue. The Treasury informed us that if they did not have the advantage of this duplicate return, they estimated the Government would lose about \$100,000,000 in taxes a year. After



thoroughly considering the matter and after taking into account whatever little added burden there was on the taxpayer to make out a duplicate return, the Rules Committee decided that this \$100,000,000 of possible loss to the Government was worth while saving and that the average taxpayer could not complain of the necessity of making out a copy of his return.

The penalty involved is minor. In case of failure to file such a duplicate return the individual is assessed \$5 and a corporation \$10, but this penalty is not inflicted until the Commissioner has given notice and 15 days in which to file the copy, if it has not been filed with the original return.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. Is there not a criminal provision still on the statute books?

Mr. O'CONNOR. There is a criminal provision on the statute books—section 145 of the Revenue Act of 1934—under which, in case of failure to file a copy, the taxpayer can be convicted and sentenced to 1 year imprisonment or a fine not in excess of \$10,000, or both. Of course, it is obvious that on failure to file a copy, if the Treasury Department attempted to enforce that penalty, it would be very cumbersome and might even be unpopular. [Laughter.] They have that right of punishment now, but they want this lesser penalty; and they figure, as they told us, that if the taxpayer prefers to pay the \$5 rather than file a copy, the \$5 will go toward the expense to the Treasury of making a copy for the purposes indicated.

Mr. SNELL. While you are straightening out the matter, if you say you cannot impose the other penalty, why did you not repeal it?

Mr. O'CONNOR. That was not suggested. I suppose that is one of the hundreds of laws, blue laws and red laws, on the statute books which has never been enforced, but some day some industrious Representative in Congress will sit down and tabulate them and offer a bill repealing them.

Mr. SNELL. Why did you not do the whole thing at one time?

Mr. O'CONNOR. That was not suggested to the Rules Committee, and, of course, we have no jurisdiction to legislate.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman from New York yield on that point?

Mr. O'CONNOR. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. I should like to invite the gentleman's attention to the fact that section 145 of the Revenue Act, which contains the penalty provision mentioned here, also relates to many other phases of failure to comply with the internal-revenue law, and does not relate to this one instance alone.

Mr. SNELL. Could you not have excepted this provision when you were drawing this new law?

Mr. COOPER of Tennessee. That is the practical effect and purpose of this bill.

Mr. DONDERO and Mr. MAY rose.

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. DONDERO. What will happen to the taxpayer who has already filed his return, but failed to file a duplicate?

Mr. O'CONNOR. He will be notified that he must file a copy within 15 days or pay a penalty of \$5. If he wants to save the \$5, he can go to the collector's office and copy his return and file the copy.

I now yield to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. The gentleman has answered the inquiry that I had in mind.

Mr. O'CONNOR. Mr. Speaker, in connection with income taxes imposed on corporations and referred to in the resolution under discussion, on March 3, 1936, following the message of the President relating to taxes, I introduced H. R. 11589, relating to the taxation of corporate surpluses. That bill was similar to bills introduced by me in the Seventy-second and Seventy-third Congresses.

Today I have introduced H. R. 11714, a bill for the same purpose, to correct some errors in H. R. 11589.

#### THEORY OF CORPORATE SURPLUS TAX

The proposal to levy a special tax on the surplus incomes of large corporations is based on the following facts and principles:

First. Income taxation to promote prosperity: Taxes on net income—unlike customs duties and sales taxes—do not burden industry or increase the cost of doing business, but rather tend to promote and stabilize prosperity.

Particularly an income tax puts a brake on the over-expansion of productive facilities and at the same time keeps money in circulation and enlarges the buying power of the general public, thereby counteracting the tendency of production to outrun the purchasing power of consumers.

Second. Accumulation of corporate surpluses: The beneficial influence of the income tax is offset in large measure, however, by the fact that wealthy individuals are taxed at much higher rates than corporations without adequate credit for the taxes already paid by the corporations upon income distributed in dividends.

This penal and double taxation upon distributions of corporate income reinforces the human tendency of professional corporate managers to withhold from the stockholders and keep under their own control the wealth represented by corporate earnings. The obvious remedy is to increase the tax rates on corporate incomes.

Third. Dividend credits to stockholders: Such an increase, however, is practicable only if accompanied by reasonable exemptions to avoid hardship and injustice to small concerns and by proper credit to stockholders for taxes which their corporations have already paid upon the income represented by dividends.

Fourth. Credits for taxes paid to States: Moreover, our States and municipalities are rapidly reaching an impasse on account of the inadequacy and burdensome character of property and excise taxes.

The allowance of a credit against the Federal estate tax for the inheritance taxes paid to the States has been of substantial assistance to the States, and similar credits for income taxes paid to the States by corporations and individuals would go far toward solving the fiscal problems of the States.

It is submitted that any program for the solution of the general tax problem should therefore at least make a beginning in the way of providing such credits.

It now develops that individual incomes are being severely diminished by dividend reductions, and that by use of arbitrary accounting methods our corporations are reporting much less than their actual incomes. The apparent sources of income-tax revenue have therefore dried up to an extraordinary extent, far beyond the shrinkage of actual incomes even in a period of depression.

Current asset position of 313 corporations as of June 1932: It is a striking fact that net current asset positions of our large corporations are in most instances unimpaired, notwithstanding heavy losses shown in recent income statements. Thus a compilation by Standard Statistics Co. with reference to 313 leading industrial corporations showed current assets in the ratio of 6.5 to current liabilities at the end of 1931 as compared with 5.8 at the end of 1930 and 4.6 at the end of 1929. This compilation showed greater shrinkages in current liabilities and in inventories than in other current assets, the detailed figures being as follows:

Dec. 31.....	1931	1930	1929
Inventories.....	\$2,757,830,000	\$3,320,950,000	\$3,701,570,000
Other current assets.....	3,500,120,000	3,785,130,000	4,125,840,000
Total.....	6,257,950,000	7,106,080,000	7,827,410,000
Current liabilities.....	967,790,000	1,228,990,000	1,707,880,000
Total.....	5,290,160,000	5,877,090,000	6,119,530,000

Similarly a recent survey by Moody of 334 leading industrial corporations shows that in the 2 years 1930 and 1931 the ratio of current assets to current liabilities has risen from 4.8 to 6.3, while the percentage of cash assets to total current assets has risen from 29.4 to 34.6.

## METHODS BY WHICH INCOME IS UNDERSTATED

It is believed that the flood of discouraging income statements, in the face of this steady strengthening of the financial position to our leading corporations, is due, first, to the practice of charging income with all shrinkages in the value of inventories—an illogical practice, because such inventories consist chiefly of permanent stock in trade and constitute permanent capital as much as real estate and buildings in which the business is carried on, so that fluctuations in such stock in trade should no more be carried into income account than would fluctuations in the value of such real estate and buildings—and, second, to the charging against earnings of arbitrary reserves for depreciation and depletion, in addition to liberal expenditures for maintenance and repairs.

It is not recommended that any present attempt be made to rectify the concealment of income involved in these methods of treating inventory. The necessary adjustments would be complex, and the theory of constant or base-stock inventories is not generally recognized in the United States, so that it would not be accepted without considerable debate. One should bear in mind, however, that even if depreciation and depletion deductions be disallowed, there would still remain the important item of inventories, by which the earnings of American corporations are much understated.

## OBJECTIONS TO DEPRECIATION AND DEPLETION ALLOWANCES

The abuse of depreciation and depletion allowances is a more serious matter and more easily remedied. Depreciation reserves are customarily set up on a straight line or time basis; for example, if a machine is estimated to have a useful life of 10 years, one tenth of its cost is charged into the expenses of each year, regardless of whether the output of such year be large or small.

This use of the straight-line basis results in a double absurdity, in that replacement funds, which should be reserved out of actual income, are frequently set up out of bookkeeping deficits, and in that each unit of product produced in a year of depression is assigned a much larger share of capital costs than a corresponding unit produced in a year of prosperity. Thus in the cost accounting of American corporations every ton of steel produced in 1931 carried four times as great a loading for depreciation as was borne by a ton produced in 1929. The strictly scientific way to apportion the burden of depreciation is by units of output, and on this basis the depreciation deducted by American corporations in 1931 was at least three or four times too great. See Scovell on Cost Accounting and Burden Application, pages 71, 178. Also see Overhead Expenses: How to Distribute Them in Good and Bad Times, issued by the Chamber of Commerce of the United States in 1921.

There is, in fact, if not in theory, a close relation between the charges for maintenance and repairs and for depreciation, and as most of our large corporations make very liberal expenditures—sometimes of a capital nature—under the guise of repairs and replacements, they have little need for depreciation reserves. In the case of the larger corporations, with their extensive and diversified assets and activities, disallowance of such reserves involves no inconsistency with the theory of taxing net incomes, so long as actual expenditures for replacements remain deductible. On the contrary, the deduction of such reserves generally involves duplication and tends to conceal net income.

The allowance of deductions for depreciation necessitates the estimating of useful life and often of capital values, and experience has shown that inequalities, injustice, and corruption frequently occur where estimates enter so largely into the computation of taxes.

In England, where the income tax has been employed for more than two generations, and where advisability of depletion and depreciation allowances has been frequently investigated and considered, the proposal to allow for wasting assets has been repeatedly rejected on the ground that it would be impracticable of just administration, and even the allowance of depreciation has been kept within very narrow limits.

(H. Doc. 332, 70th Cong., 1st sess., 156.) Cf. Koustam, Law of Income Tax (3d ed. 1926) 86, 171-176. McBain, Complete Practical Income Tax (1928), 175 ff.

## UNITED STATES STEEL CORPORATION AS AN ILLUSTRATION

The injustice to the Government which results from our present depreciation and depletion allowances is well illustrated by the case of the United States Steel Corporation. At page 6 of its annual report for 1931 the Federal income tax of the Steel Corporation and its subsidiaries is estimated at only \$80,000, although its income shown at page 18 of the report amounted to \$46,484,000 "earnings" and \$19,341,000 "special income", or an aggregate of \$65,825,000 net income, less \$6,303,000 interest on bonds and mortgages.

The expectation that with such earnings the corporation would contribute only \$80,000 to the support of the Federal Government is doubtless based chiefly on the provision of \$47,318,000 for depletion, depreciation, amortization, and obsolescence, in addition to \$59,461,000 charged in 1931 for maintenance and repairs.

The extremes to which the Steel Corporation has carried this method of accounting are shown by the fact that in the 5 years (1927-31) the Steel Corporation has charged income accounts with \$777,000,000 for maintenance, repairs, depreciation, and depletion—in addition to special appropriations from tax refunds, and so forth, for such purposes—whereas its net "property investments" is now stated at only \$1,684,000,000.

## ILLUSORY CHARACTER OF DEPLETION RESERVES

The fictitious or artificial character of depletion reserves in our income-tax practice is too well known to require much discussion. The abuses arising from "discovery depletion" were exposed by the Couzens committee some years ago—report, pages 3, 10—and the increasing tendency to make arbitrary provisions for "percentage depletion", where the capital value of wasting assets has been largely recovered through ordinary depletion, is a transparent means of legal evasion.

In the case of the steel corporation and many others, the mineral deposits are actually so enormous and will last for so many generations that the setting up of replacement reserves from the earnings of such a year as 1931 would be purely farcical were it not for the tragic effects upon Federal revenues.

## PROVISIONS OF CORPORATE SURPLUS TAX ACT

In the proposed act an attempt is therefore made to levy a tax upon the actual earnings of our larger corporations. The rate proposed is 33½ percent—section 2—which is high enough to produce large revenues and stimulate dividend payments, but which, after allowance of various credits described below, amounts to but a small percentage of gross sales.

To reach this actual income, depreciation and depletion are disallowed, with special exceptions for financial institutions and for cases like the moving-picture film industry, where rapid obsolescence is a frequent factor, and with further exceptions to prevent hardship in the retroactive taxation of 1935 incomes—section 5.

For both economic and administrative reasons, it is important that there be granted a large specific exemption, or a reasonable exemption. My bill, therefore, provides an exemption of \$500,000 for each corporation or affiliated group of corporations—section 4 (c). Incidentally, these exemptions eliminate all but 1,000 out of the 500,000 corporations which annually report to the Bureau of Internal Revenue. It is believed that the tax as thus framed will bear precisely on the large corporations which are dominated by professional corporation managers with little responsiveness to their stockholders, and that the funds from which the tax will be paid would, in the ordinary course of corporate administration, never reach the stockholders in any event, so that no actual burden is laid upon stockholders by the tax.

To place a premium upon the distribution of dividends, a corporation is allowed by the proposed act to deduct not only the amount of dividends received by it—as is provided



in the Revenue Act of 1928—but, in addition, one-half of all dividends paid out in excess of dividends so received. For the same purpose this additional deduction may be disallowed if the corporation has unreasonably reduced its dividend rate (sec. 4 (d)). In addition, commencing with returns for 1936, individual stockholders are permitted to credit against their income taxes 16½ percent of all dividends received by them (sec. 14).

These provisions with reference to dividends will place strong pressure on corporations to revise their dividend policies and make generous distributions, abandoning the niggardly dividend policies heretofore followed.

For the further relief of individuals and to assist in collecting State revenues, the normal tax is reduced to 1 and 2 percent (secs. 13, 16), instead of 4 and 8 percent as in the new revenue act; individuals are permitted to credit against their income taxes for 1936 and subsequent years any State taxes paid by them up to 3 percent on their income (sec. 15), and corporations are permitted to credit against the proposed corporate surplus tax for 1936 and subsequent years one-third of any taxes paid by them to the States (sec. 7 (b)), further provision being made that, commencing with 1938, these credits for State taxes shall be limited to income taxes, or franchise-income taxes, paid to the States.

The adoption of the capital surplus tax should make possible the repeal or reduction of certain other taxes imposed by the present revenue laws. Among these should be the higher surtaxes, which are quite unjust in their application to earned income and which will prove quite uncollectible so far as the rich are concerned, because of the ready avenue of escape under the lower rates applied to corporations. In fact, the present revenue act with its graduated rate on corporations will almost inevitably fail to produce the expected revenue from higher surtaxes, while the increased surtax rates will accentuate the existing tendency of directors to discontinue dividend distributions.

Section 11 of the proposed act directs the Commissioner to grant liberal extensions of time (up to 2 years) for paying the tax in cases of hardship and further directs that the tax be subordinated to existing and future creditors where necessary to avoid financial complications to a taxpayer corporation.

#### CONSTITUTIONALITY OF THE PROPOSED TAX

The fairest measure of present ability to contribute to the revenues is to be found in the past year's earnings.

The disallowance of depreciation and depletion is justified by *Burnet v. Thompson Oil & Gas Co.* (1931) (283 U. S. 301, 304); *United States v. Biwabik Mining Co.* (1918) (247 U. S. 116); *Goldfield Consolidated Mines Co. v. Scott* (1918) (247 U. S. 126); *Cf. Weiss v. Wiener* (1929) (279 U. S. 333, 335).

In addition, depreciation and depletion deductions were expressly or tacitly disallowed in the Civil War income-tax laws and the law of 1894, yet no point was made of this by the learned counsel who argued the *Pollock* case. *Pollock v. Farmers' Loan & Trust Co.* (1895) (157 U. S. 429; 158 U. S. 601); *Railroad Co. v. Collector* (1879) (100 U. S. 595, 597); *Bailey v. Railroad Co.* (1882) (106 U. S. 109, 115).

As was observed in a note to the concurring opinion of Mr. Justice Brandeis in *Missouri ex rel. Southwestern Bell Telephone Co. v. Public Service Commission* (1923) (262 U. S. 276, 294):

Several different methods are used for measuring depreciation: (1) The replacement method; (2) the straight-line method; (3) the compound-interest method; (4) the sinking-fund method; (5) the unit-cost method. It is largely a matter of judgment whether, and to what extent, any one of these several methods of measuring depreciation should be applied. They may give widely different results.

#### PRODUCTIVITY OF CORPORATE SURPLUS TAX

The yield of the proposed tax cannot be estimated except within wide ranges. It is conservative to say, however, on the basis of careful calculations, that the act would produce at least \$600,000,000 and perhaps \$1,000,000,000 or more revenue in a year, after making full allowance for the reduction in normal tax rates, the dividend credit to individuals, and the credits to both corporations and individuals for State taxes.

#### RELATION OF THIS TAX TO SALES TAX

The sales tax carried a complicated system of licenses to avoid snowballing or pyramiding of the tax. An alternative method of sales taxation is to tax every successive sale but allow each vendor to deduct from the price received his direct costs for labor, materials, and supplies.

In the proposed bill the same deductions would be allowed, plus interest, rent, and so forth. Certainly no advocate of the sales tax should object to a tax on surplus income excluding depreciation and depletion reserves.

In their economic effects, however, the proposed tax differs widely from a sales tax, since the corporate surplus tax would be a powerful influence toward ending the depression and bringing about a stable condition of prosperity.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, until recently it was the traditional policy of the Federal Government—and it was a proper policy—to hold inviolate the information obtained from a citizen for the purpose of levying a Federal tax against him. This information was not properly obtainable by the Federal Government on any other excuse or for any other reason than to levy an income or excise tax.

An apt illustration is the fact that until prohibition the Federal Government levied an excise tax of \$25 a year upon all persons selling intoxicating beverages at retail. But it was the policy of the Federal Government not to disclose who paid the \$25 tax, either for taxing purposes or criminal purposes, to any State or any other authority in the United States.

Inasmuch as the Federal Government after having the information for no other purpose except for levying the tax, it has no business to make that information available for any other purpose whatever. That was the policy of the Federal Government until within the last few years.

Then we had the "pink slip" legislation, which allowed such information in income-tax returns to be made indiscriminately public; and as a result of a popular uprising the Treasury reluctantly consented to allow Congress to repeal the "pink slip" legislation last year.

With that we thought we had wiped out the divulging of such information for all purposes to all persons; but we find there is still a provision in the law that the income-tax returns are available to States and local taxing authorities. The law says that those authorities on making proper application shall have a proper opportunity to examine the returns. It does not impose on the Treasury the duty of making copies for these people who have no real right to the information in the first place. There is no reason why the Treasury should come here and ask us at this time to pass enforcement legislation to compel the taxpayer himself to make copies for the use of the local taxing officials, when the Treasury itself is under no obligation to furnish such copies.

If under the law the taxing authorities of the State or the local government have the right to inspect these records, let them inspect them when the opportunity for such inspection is present, and they can avail themselves of their legal rights.

But there is no reason why the Treasury of the United States should facilitate such inspection by making copies, and certainly it is an imposition to force people to make the copies themselves. It is not the business of the taxpayer morally, legally, or equitably to furnish these copies.

I think this bill is vicious, contrary to sound fundamental principles, and ought to be defeated, and the rule ought to be defeated so that we will not waste our time considering such legislation.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Speaker, after conference with the chairman of the Committee on Ways and Means and the chairman of the Committee on Rules, it was thought advisable that some member of the Committee on Ways and Means should at least make a brief statement of

explanation of the real purpose to be accomplished by the bill sought to be made in order by the rule under consideration. The distinguished gentleman from New Jersey [Mr. LEHLBACH] is evidently very much confused about the purpose sought to be accomplished. That is the reason for feeling that somebody should give a brief explanation of the real situation that we have to deal with, and that is my purpose in asking your indulgence at this time.

Apparently the desire of the gentleman from New Jersey would be to not have any publicity of any type or character of income-tax returns, and we have no quarrel with him for having that desire, but that just does not happen to be what the law is today. The situation is this. Last year the House passed a bill repealing the so-called "pink slip" provision. The bill passed by the House contained only four or five lines. It was a clean, clear-cut repeal of the publicity provision of the income-tax law, thereby abolishing the filing of the pink slip by the taxpayer. When that bill went to the other body, it did not meet with favorable consideration. The result was that an amendment was placed upon it in that body requiring the information to be furnished to the States and local taxing authorities under certain regulations provided, and that amendment having been adopted in the other body, the bill went to conference. The result was that what is now provided by law was all that the House conferees could get out of the conference. In order to accomplish the repeal of the pink slip, it was necessary to agree to these other provisions, and the conference report was adopted by the two Houses. That is the situation we have.

The ask your indulgence for a moment further, I invite your attention to the present provisions of existing law which make this necessary. The act approved April 19, 1935, which was the act repealing the pink slip, contained the following provision:

That section 55 (b) of the Revenue Act of 1934 relating to filing and making public certain income statements is amended to read as follows:

"(b) (1) All income returns filed under this title for any taxable year beginning after December 31, 1934 (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission, lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the Governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner, and at such times and places, as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

Then section 2 following provides a penalty for divulging the information received to some outside sources. The situation presented here is simply this: That being the law, the Commissioner of Internal Revenue has to provide for these authorities designated by the Governors of the States, to inspect these returns or copies of them. As has been pointed out by the chairman of the Committee on Rules, if these returns have to be taken out of the usual channels and held there for inspection by these authorities, it will greatly disrupt the administration of the income-tax law by the Revenue Department. It is estimated they will lose something like \$100,000,000 a year by reason of the delay necessary, and in addition to that it will cost perhaps \$1,000,000 a year for the Federal Government to make these copies.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. BACON. Can the gentleman tell the House as to the number of demands for inspections that have occurred in the last year?

Mr. COOPER of Tennessee. Of course, I do not have the exact figures, but the demands are large.

Mr. BACON. I am asking for information.

Mr. COOPER of Tennessee. As the gentleman knows, many States have State income-tax laws, and it is expected and thought by the Treasury Department that the demands will be very large.

This is decidedly in the interest of the taxpayer. Under section 145 of the Revenue Act of 1934, the taxpayer is subjected to a penalty of not more than 1 year imprisonment and not more than \$10,000 fine for failure to comply with the provisions therein stated, and the regulations issued by the Commissioner of Internal Revenue. The practical purpose of this bill is to provide that the taxpayer shall file a copy with his return at the time it is made. If he fails to do that for this year, he is issued a letter calling his attention to it. Years in the future, if he fails to do it, he will have to pay \$5 in the case of an individual or \$10 in the case of a corporation.

The SPEAKER. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

Mr. O'CONNOR. I yield the gentleman 2 additional minutes.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ZIONCHECK. The statement which the gentleman made, if I understood him correctly, is that the provision in the present law which it is attempted to enact is embodied in departmental regulations, and if they fail to furnish a copy, under the departmental regulations they are subject to 1 year in prison or a fine of \$10,000. This law makes it only a \$5 or \$10 fine?

Mr. COOPER of Tennessee. Yes. In substance and in practical effect the gentleman states it correctly.

Mr. ZIONCHECK. In other words, it is for the protection of all taxpayers to make a definite, small penalty instead of a department putting an excessive penalty on them for a minor infraction?

Mr. COOPER of Tennessee. In substance, the gentleman states the situation correctly.

Mr. BACHARACH. Well, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. BACHARACH. That statement is not correct, because we are not changing the criminal action at all. I understood the gentleman from Washington to say it did change the law.

Mr. COOPER of Tennessee. My answer to the gentleman from Washington [Mr. ZIONCHECK] was that in substance the practical effect is just what he states. In other words, this provides for a requirement by law, instead of by regulation, of the filing of a copy of the return, and provides for the assessment of \$5 or \$10, as the case may be, for failure to do that.

Mr. KENNEY. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. KENNEY. We are passing this law on the eve of the tax-return date. Ordinarily the provisions would take effect as far as current returns are concerned, except an amendment has been offered, as I understand it. Am I correct in assuming that that amendment provides that no penalty shall attach unless first a notice is sent to the taxpayer to provide a duplicate?

Mr. COOPER of Tennessee. That is provided for in the bill itself. That amendment was offered in the committee, and was accepted by the committee, and the bill is here now with that provision in the body of the bill.

Mr. KENNEY. It is true that no penalty will attach until a notice has been given to file the duplicate?

Mr. COOPER of Tennessee. That is correct for this year.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes.

The motion was agreed to.



Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11365, with Mr. BERLIN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in my judgment, there is less reason for opposing this bill than any bill respecting the revenues of the Government since I have been a Member of Congress.

There seems to be a complete misunderstanding and misapprehension of the purposes of this legislation. Congress passes laws providing for raising revenues for the support of the Government. Those laws are not effective unless they can be efficiently, economically, and expeditiously administered. It was found this could not be done with respect to the law that it is proposed to amend now, and that is the reason for this bill.

As has been explained by my colleague on the committee, the gentleman from Tennessee [Mr. COOPER], this legislation is made necessary by an amendment to the revenue law of 1934, which amendment was adopted in 1935, amending section 55 of the revenue law of 1934, providing for the repeal of the pink slip. When the pink slip was repealed, which provided for making certain data open for inspection, the law was broadened, making it the duty of the Secretary of the Treasury to make returns of income taxpayers available for inspection not only by States but by local taxing authorities. If the Secretary of the Treasury is to obey the mandate of the law by making these returns available, of course, he cannot make them available to the local taxing authorities and at the same time use them for the purposes needed in the collector's office. As they must be open for the inspection of the local taxing authorities, as the law provides, they must either have a copy or delay the auditing and investigation of the same, and this can only be done by having a copy that is accessible to the local taxing authorities.

If the taxpayer does not furnish the copy, then the Government must either make a copy or allow inspection of the original return. To do this will entail a large expense. If the Congress is not willing to pass this law, then the Members must get ready to make the appropriation necessary to furnish these copies or must take the responsibility of tying up the auditing and inspection of these returns, and also the delay that will be incident to this procedure. The Treasury Department says, furthermore, it will result in the loss of many millions of dollars by reason of the delay in the auditing of the returns and proper work of the Treasury of the United States in the collection of the taxes. The Congress should provide and must provide for making these copies so they can be available and the provisions of the law be carried out.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Gladly.

Mr. SNELL. I do not quite understand how it affects the assessment and collection of Federal taxes to have this extra return filed. How does it in any way affect the collection of Federal taxes?

Mr. DOUGHTON. If the Treasury Department has to make the originals available for inspection of the local taxing authorities, they cannot promptly audit these returns, inspect them, and do the work necessary for the collection of the taxes.

Mr. SNELL. They do not send them to any of the States for local inspection until they have completed their examination here, do they?

Mr. DOUGHTON. A brief inspection is first made in the collector's office and then sent to Washington for auditing, and later about 750,000 are returned to field agents for fur-

ther examination of various items and schedules shown on the return.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. The gentleman will bear in mind that out of 6,000,000 returns it is estimated will be filed this year, about 2,500,000 will come to Washington to be audited.

Mr. SNELL. I understand that.

Mr. COOPER of Tennessee. About 750,000 returns are sent to the field for investigation. In the year's time they are able to investigate or examine only 400,000 of this number, but this 400,000 yield \$300,000,000 additional revenue to the Government by reason of the investigation.

Mr. SNELL. I understand that perfectly well, but how is the filing of this additional return going to add to the facilities of collecting the tax from the standpoint of the Federal Government?

Mr. COOPER of Tennessee. It means simply that when the income-tax return is filed in the local collector's office instead of having to keep it there to be available for inspection by the Governor's representative and these local authorities, they can keep the copy there to be inspected and send the original on to Washington; it will come through the usual channels and in the regular way; it will go to the field for investigation, if necessary, and they will not have to disrupt the whole machinery by holding the original return in the collector's office for the local authorities to investigate.

Mr. SNELL. The gentleman just stated a few moments ago that comparatively few returns were sent to Washington. How, then, would it disrupt the whole machinery if an additional copy was not filed?

Mr. COOPER of Tennessee. Almost half are sent to Washington.

Mr. DOUGHTON. Right at that point, they have to be inspected and audited in the collectors' offices, and the collectors cannot use the returns if some local taxing authority has them.

Mr. SNELL. An order must be obtained from the Governor before they can be inspected. How often is this being done?

Mr. DOUGHTON. I understand from the Treasury Department that many, many requests are being made to inspect returns, so that it will be necessary for them to have copies of the returns available or else seriously interrupt the work of the Treasury.

I may say to my good friend from New York that taxpayers in many cases are being advised that there is no penalty that attaches for not making these copies. Consequently many returns are being made without furnishing copies. The tax-return blanks that are sent out are accompanied by a notice that they should make these copies, that the copies are required by law; but the taxpayers are told that there is no penalty attached. Therefore some are not sending the copies.

Mr. SNELL. If they want a copy of the income-tax return, why should they not make it rather than put this burden on the individual taxpayer?

Mr. COOPER of Tennessee. Simply because the law requires the Federal Government to provide that information for them.

Mr. SNELL. Does it provide that the Government shall make a separate copy?

Mr. COOPER of Tennessee. It provides that the Revenue Department must have that information available.

Mr. SNELL. It provides that an individual may look at the original tax report, but it does not provide that the Department must make an extra copy?

Mr. COOPER of Tennessee. No. But they want to have the original to work on.

Mr. SNELL. The originals are left there anyway and they are working on them all the time.

Mr. DOUGHTON. It is impossible to obey this law without these copies. Does the gentleman think the experience

of the Treasury Department in the administration of this law is worth nothing?

Mr. SNELL. The law says that these returns shall be open for inspection. If you have an original, that is open for inspection.

Mr. DOUGHTON. But they must be made available to the local taxing authorities and they cannot serve that purpose and the purposes of the Department at the same time.

Mr. SNELL. I do not see how it will in any way interfere with the collection of the Federal taxes, as the gentleman stated.

Mr. DOUGHTON. If the Treasury Department, from their experience, said it is interfering with their work and that copies would necessarily have to be made, costing millions of dollars and also entailing the loss of revenue, would that carry any weight with the gentleman?

Mr. SNELL. Did they not give the same testimony with regard to the pink-slip proposition?

Mr. DOUGHTON. No.

Mr. SNELL. I think the gentleman agreed with me on that proposition.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. These returns cannot be in both places at the same time. They cannot be in the collector's office in the field and here in Washington at the same time. When these returns are sent to Washington they are audited. A number of State taxing authorities, it may be State, counties, or cities, have the legal right to see these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. VINSON of Kentucky. This taxing authority comes to Washington to inspect the original return. At that particular time the officials in the Internal Revenue Department may be working on this particular return. If the local authority has the right to disrupt the work, the Internal Revenue Department must stop the work upon that return and turn it over to the local authority. They may start working upon that return the next day and some other taxing authority comes in and wants to inspect it. When you multiply the people who have the right to make these inspections, not only by the 48 States, but by all the taxing authorities of the States, I do not think there is a building large enough in Washington in which they could do the job. It disrupts the officials also in connection with their work so far as the collection of the taxes is concerned.

There is one other angle to this matter, and that is the question of the statute of limitations. If you are going to allow this return to stay in a collector's office for 6 months or a year, the statute of limitation is running all the time. When you send it to Washington and check up on it there will be a lot of revenue lost because of the running of the statute of limitations.

Mr. SNELL. Does the gentleman mean to state he thinks more than one tax authority would want to look at an individual income-tax return?

Mr. VINSON of Kentucky. Undoubtedly. Let us assume a corporation doing business in a number of States. There may be one corporation doing business in 48 States. The tax authorities of these States may want this copy made available. One copy under the bill is furnished to the internal-revenue collector's office in the State where the return is made.

Mr. SNELL. According to the gentleman's statement then, we ought to have one copy made to file in every State in the Union?

Mr. VINSON of Kentucky. They know where they can get these returns, and if they can go there and get them and not disrupt the operation of the Bureau insofar as collecting these taxes is concerned, I think it is a reasonable provision to have a copy filed.

Mr. DOUGHTON. The whole purpose of the legislation is to make practicable the administration of the present law,

so that they can carry out the purposes and provisions of that law. The gentleman from New Jersey stated that the Treasury Department and the Government are under no obligation to furnish these returns for inspection. If he considers that the law directing this to be done places the Government under no obligation, of course, that is his right. I maintain they have to do it. Now, in order to facilitate their own work they must have these copies. Of course, they could turn over the originals, but in doing that their own work would be interfered with and delayed.

Mr. LEHLBACH. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. A lot of papers must be filed and made available in various governmental agencies for Federal, State, and local authorities throughout the country. These are public records and open to inspection. Does the gentleman mean to say that when those papers are in court or in use, for instance, in connection with a pleading that is filed with the clerk of the court, or when actually in use by the court, that the court must surrender the document or documents to one who is exercising his right of inspection? A person who has the right to inspect may inspect when the paper is not properly in other use. Therefore, there is no reason why the Treasury Department should have these copies.

Mr. DOUGHTON. Of course, that would nullify the whole purpose and provision of the law. The gentleman knows that could not be done and at the same time carry out the spirit and purpose of the law. He knows that very well.

Mr. MILLARD. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. MILLARD. Does not the distinguished chairman of the Ways and Means Committee feel if this bill is passed the criminal provisions should be repealed also? They are drastic, unreasonable, and practically unenforceable.

Mr. DOUGHTON. So far as they relate to this requirement, I would say yes; but, as explained heretofore, the criminal provisions refer to other portions of the law that may be violated. This is a penalty for the violation of other provisions as well.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CLAIBORNE. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Missouri.

Mr. CLAIBORNE. Am I to understand that this act provides that the collector in Washington may prescribe any set of records that he deems necessary for the taxpayers to keep in making returns?

Mr. DOUGHTON. I did not understand the question. Will the gentleman please state that again?

Mr. CLAIBORNE. I can put it in the form of a hypothetical question. A lawyer makes a return on the white and on the green and the collector summons him and states, "I would like to see your books and records." He replies, "I keep no books and records", and then the collector prescribes such books and records for lawyers throughout the country.

Mr. DOUGHTON. There is nothing of that kind involved here. There is nothing here that is a forty-ninth cousin to that proposition. Only the returns that the taxpayer is required by law to make must be made available to the various taxing authorities, and in order to make this effective he is required by the pending bill to pay a penalty of \$5 for not sending a copy, and this copy is made available through the collector's office, not of some lawyer.

Mr. CLAIBORNE. I understand that; but I saw an article in the paper that prompted that question.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman will agree, I am sure, that the only way any person in the United States can get an income-tax blank is from the Government. The Government issues the blanks to the taxpayers



and that blank provides for the original return and for the duplicate that is held by the taxpayer. Now, all this bill does is to insert this green sheet, which is a copy of the original return. With every blank that has been sent out this year the Department has included this green sheet to be used in making the copy by the taxpayer.

Mr. DOUGHTON. And if the green sheet is not returned, then the taxpayer is given 15 days in which to send the copy, and if he does not do it then, only a mild penalty not a drastic penalty or a harsh penalty, but only a mild penalty of \$5 is imposed in order to reimburse the Treasury if it has to make the copy itself. This is a big to do over nothing.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question in reference to something that the gentleman from Tennessee said?

Mr. DOUGHTON. I yield.

Mr. O'CONNOR. The gentleman had in his hand one of the small returns, under \$5,000, but there is a green single sheet for the large returns over \$5,000 with the schedules on it and I am not sure that the green sheet of the large return contains all the schedules of the original return, and the States may want to see the original return because they are always asking for a break-down of the schedules. What is the fact about that?

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield to me to answer the gentleman from New York?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. The fact is it is only a difference in the size of the paper with respect to the individual return over \$5,000. The original that goes to the Government is one sheet, and the other part, which is two sheets, is what you retain as a duplicate. I filed mine last Saturday and I know what I am talking about, because the green sheet was included with the blank form and I filed one sheet like this, only it was larger, and the green sheet went along with it.

Mr. O'CONNOR. I am talking about schedules and I am quite sure in the large return it is more than one sheet.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. In regard to that matter, ordinarily the corporations would be affected by the schedules. I think it is fair to say that a carbon copy of the schedules could be attached to the copy of the return without any trouble. It occurred to some of us that the corporation would want that carbon copy rather than to have someone attempt to make a copy and, possibly, have errors creep in.

Just one further statement. Has the statement been made to the House that in several instances requests of the taxing authorities have been made for the filing of copies of all the returns from that State?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 2 additional minutes.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. The bill provides an arbitrary period of 15 days for filing the return after notice from the collector.

Mr. DOUGHTON. No; that is for sending in the copy. After the return has been received and the copy does not accompany it, then 15 days from date of notice from the collector is allowed for sending in the copy.

Mr. KENNEY. And if it is not done within that time the penalty attaches.

Mr. DOUGHTON. Yes.

Mr. KENNEY. Of course, that is arbitrary; and the time begins to run from the time of mailing by the collector. If the individual should be away there is nothing in this law that would permit the Commissioner to remit the fine. Does not the gentleman think we ought to add there, "unless the time be further extended by the collector"?

Mr. DOUGHTON. I would have no objection to that amendment; but, of course, they are expected to send the copy with the original return, and this is a second notice.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Of course, that is a minor matter and could only happen in very few cases, and you cannot meet every contingency.

There is one more observation I should like to make. The evidence before the committee was that unless this copy is filed or permitted to remain in the various district offices for inspection it would compel everyone to come to Washington, both from the State and the political subdivisions of the State, necessitating expense in looking over the original, with the possibility of destruction; and, in any event, it would require the setting aside of special facilities in Washington to accommodate the representatives of the several States and the political subdivisions thereof; and the Treasury Department has already received a request from the representatives of the mayors or from the mayors' association asking that space be allotted in Washington for their representatives to go over these returns. This bill will also meet this situation.

Mr. DOUGHTON. Mr. Chairman, in conclusion I may say that we should do one of three things. We should pass this bill or repeal the provision of the present law requiring that these returns be made available to local taxing authorities or we should make an appropriation to pay for the making of these copies. We should certainly do one of these three things, because if we do not the Department is required to do an expensive and unreasonable thing.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I shall vote against this bill. I voted against it in the committee. My reasons for voting against it primarily are two. In the first place, the bill is not necessary; in the second place it violates one of the principles of American government. Those, gentlemen, are the reasons for my opposition.

I will take up the last reason first. I oppose it because by its provisions an assessment, which in effect is a fine, is inflicted upon a taxpayer for the infraction of a regulation of a department, which regulation is not a law. In other words, a department chief can present a regulation and for the violation of that regulation he can fix a fine. He can do more than any judge of a court can do. A judge might fix a fine, but he cannot make a law and then fine a man for a breach of that law.

I say it violates a principle of Americanism. There is no question about it.

The bill gives the department the authority to make regulations, and if a man fails to live up to it, it gives authority to assess him \$5 or \$10 fine without giving him a chance to do anything or to say anything in his behalf or to appeal from the decision.

Mr. McCORMACK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. McCORMACK. There is no discretion given the department. The bill provides a mandatory provision for the fine or assessment of \$5 or \$10. My friend does not make a proper construction of the bill.

Mr. JENKINS of Ohio. I maintain that the Department should have no right to fix a penalty. It would not be so bad if they had the right to fix it on the basis of a law, but to fix it on the basis of a regulation is bad. They could change the regulations any time they saw fit, and every taxpayer would be subject to the whims of the Department.

I say that no department should have the right to make an assessment on a regulation.

If the Department has the right to make a regulation for the filing of a copy, they could change that regulation any time they saw fit. It is not permanent law, it is a regulation.

Mr. DOUGHTON. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. DOUGHTON. Congress passes this law; it is an administration law.

Mr. JENKINS of Ohio. If it is to be a law I would not have any argument. If you provide that copies must be filed, and if not filed there shall be a fine of \$5 or \$10, if that is the law I would not have any argument about it.

Mr. DOUGHTON. That is all this does.

Mr. JENKINS of Ohio. The gentleman does not see the point. Here is a regulation and not a law; it has not the dignity of a law.

Mr. DOUGHTON. They cannot make it a regulation without the law behind it.

Mr. JENKINS of Ohio. The gentleman will not say that there is a law that we must file a green copy; the law does not say that we must make a copy.

Mr. McCORMACK. The law allows the making of the regulation, and they have the power now; and for violation a person can be sentenced to prison for at least 1 year or a fine of not more than \$10,000, or both, which is ridiculous.

Mr. JENKINS of Ohio. I repeat that this is my position, and you can take it or leave it—that there is nothing upon which these people can assess this \$5 or \$10 except a regulation which may be changed at any time.

Let us go to the other phase of the bill. My other objection is this: It is not necessary. Why is it not necessary? Let us go over it to see what was done last year. It will be remembered that 2 years ago this same group of people came before our committee and said that they must have the "pink slip" proposition, and when that "pink slip" provision was passed and went out to the country there was such an intense revolution against it that everybody on the Ways and Means Committee of the House last year was anxious and ready to repeal it. That was repealed, but something else was put in place of it.

It was provided that the taxing authorities in the States should have the right to come to Washington or to go wherever the returns were and investigate those returns and inspect them for their own benefit. I am not one of those who oppose some publicity of taxation returns. I believe some official in each State ought to have the right to come to Washington, where the returns are, and look over the returns, but that privilege, which we gave last year, has been abused. It has been shamefully abused all over the United States. Any snooper who wants to do so can go to the statehouse or to the office of the State taxing officials and get access to these returns, and it is a shame and a disgrace that the law is circumvented in that way. We thought we wrote something that was fair and reasonable. I think I probably voted for that part of it, if I had the opportunity. I am not against some publicity, but I am against this indiscriminate publicity which snoopers, who have no business to know what anybody pays, can exercise. The only reason they want to know it is to scatter the information around or to blackmail people, and it ought to be stopped.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. COOPER of Tennessee. I am sure the gentleman from Ohio does not want to state that any officials in the Treasury Department ever appeared before the Ways and Means Committee and asked for the "pink slip" law.

Mr. JENKINS of Ohio. I do not know exactly who did ask for it, and that is not material. I did not ask for it. It came from somebody that wants a lot of regulation, and it was overwhelmingly desired, and the people rose up against it, and we threw it out with the same overwhelming condemnation.

Mr. COOPER of Tennessee. The gentleman must know that the requirements of publicity of tax returns was put on in the 1934 revenue bill in the Senate.

Mr. JENKINS of Ohio. Oh, I know about the La Follette amendment, and I never was in favor of it. It is too drastic.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. McCORMACK. Does the gentleman take the position that the officials of his State or any political subdivision thereof should not have the right to examine income-tax returns of the Federal Government, made by citizens of the gentleman's State, to see whether or not the State income-tax returns made to the State by the same people are consistent?

Mr. JENKINS of Ohio. If the gentleman had been listening, he would have known that I said specifically that I was in favor of some authority having access to these returns.

Mr. McCORMACK. That is all that this is designed to accomplish.

Mr. JENKINS of Ohio. No; there is something else. Do not let us be misled on that. After we repealed the pink slip we provided that the authorities in the State, the proper taxing authorities, should have the right to come and look over the returns in Washington, or to wherever the returns were available. That was agreed to. We gave the Department the right to issue the regulations, and one regulation that the Department has issued is that each blank return that goes out shall have sent with it a green slip, requesting the taxpayer to fill it out and send it in. This is to be a duplicate. Here is where I say this proposed legislation is not necessary. The regulation requiring the filling out of the green copy has never been tried. This is the first time they have ever been sent out and how does anyone know how many people will fill them out and how many will not fill them out. They have just been sent out. They have just tried these regulations. I repeat for emphasis, this is the first time, and just think of it, before it has been tried, it has to be changed. Half of you gentlemen have not filled out your income-tax returns, and nine-tenths of the people of the United States have not done that as yet.

How does anybody know who and how many are going to refuse to fill these out? Yet here they come along and ask us to pass a law which is founded on a regulation that will fine people from \$5 to \$10 before they give them a chance to see how many will make the return. That is why I say it is unnecessary.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. No.

Mr. BROOKS. I will answer the question.

Mr. JENKINS of Ohio. That question cannot be answered.

Mr. BROOKS. Oh, yes; it can. After they repealed the pink slip this provision was put in in the Senate.

Mr. JENKINS of Ohio. I appreciate that.

Mr. VINSON of Kentucky. The gentleman says that the people have not made out their returns and they probably will fill out this green slip.

Mr. JENKINS of Ohio. Yes.

Mr. VINSON of Kentucky. If that is done, is there any burden at all placed on the taxpayer?

Mr. JENKINS of Ohio. If it is done, there will be no trouble, and if it is not done there will be no trouble under the law as it is now. Why not wait until next year, until we see how many of them will do this? If a large majority fill them out, then this bill will not be necessary. Until this is determined it is useless.

Mr. VINSON of Kentucky. If we pass it now, they will all do it, and there is no burden placed upon them.

Mr. JENKINS of Ohio. I say it is a farce for a great department to make a regulation and, before they try it out, come to the Congress and say, "We want the power to fine them", without the sanction of a statutory law. I say it is unnecessary; it is un-American; it is unjust and unreasonable and should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has again expired.

Mr. BACHARACH. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I regret very much that I find myself in opposition to my chairman and other good friends of the majority on the Ways and Means Committee on this legislation. A year ago this House was in an uproar



about the so-called "pink slip" provision and its repeal. Now at this time we are in another uproar about another color, the "green slip" bill. In my opinion, this bill is entirely mis-titled. It should be called the "green slip validating act of 1936", for that is just what it is.

In my opinion the Treasury Department attempted to force the taxpayers of this country to file this so-called "green slip", and apparently someone called their bluff on it; so they run up to Congress, like they always do when they want something that will irritate or aggravate the taxpayers of this country, and ask us to bring in legislation legalizing what they attempted to do by regulation. I say it is entirely wrong. I think that we as a Congress should pass sensible legislation and stop passing these silly nuisance bills that only irritate the taxpayer of the United States. [Applause.]

It has been said this afternoon that there is no responsibility upon the Treasury to furnish State officials, upon the request of the various Governors, with copies of the returns of individuals or corporations. I say if the Governor of my State or the assessor in my township or the State Tax Commission of the great State of Illinois want to see what CHESTER THOMPSON's return or that of any other individual or corporation, let them send somebody down and make a copy. Why should that burden be placed upon the taxpayers themselves? I, therefore, hope that this legislation will be voted down.

I do not particularly cherish the idea of opposing my committee, but sincerely believe that this bill is unnecessary. It comes in just on the eve of the time when 90 or 95 percent of the taxpayers of this country will be making their returns, and after those who have filed their returns and have neglected to file a copy. If this bill becomes a law, they will get a notice from some collector of internal revenue to make a copy. I think that is wrong and that the people of this country are entitled to notice. If a bill of this nature is passed, it should be made effective a year from now and not upon the current returns. I think we should find out, as the gentleman from Ohio [Mr. JENKINS] said, just how many people refuse to file these duplicate returns. We do not know. We are taking the word of the bureaucrats in the Internal Revenue Service, who do not care anything about the people of the country and just about the same for Members of Congress. They run up here and they say, "Pass this. We have to have it for the revenue. We need this to protect the revenue."

Oh, how many injustices have been done to the people of this country under the guise of protecting the revenue?

Mr. KNUTSON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. KNUTSON. The highjackers and kidnapers should have some place where they can go to get information as to whom they might profitably operate upon. I know of no other way.

Mr. McCORMACK. Now, that is not a fair statement in connection with this bill, and my friend who is sincere in his opposition knows it. The gentleman knows that the only one who can inspect that return is the Governor of a State or his representative, or the representative of a municipality. The gentleman's statement is not a fair one, and the gentleman ought to withdraw it.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. THOMPSON] has expired.

Mr. BACHARACH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the United States Government is a sovereign nation acting upon the individual citizen. The sovereign States act directly upon their citizens. The policy we adopt in collecting our taxes is a Federal policy. As a Federal Government we should be concerned with the collection of Federal taxes and it should not be our concern to supply copies of records to the States necessarily. Our records are public records, and the State authorities know where to find them and where to inspect them. Once in a great while it seems to me we ought to keep faith with the American people. When the sixteenth amendment was adopted, or when it was submitted to the people of the United

States for adoption, the Democratic Party was then in power. That amendment was prepared and introduced by Mr. Cordell Hull, who is now the great Secretary of State. You, as a party, went out to the various States and made an appeal to the people to adopt the sixteenth amendment. In all of your debates in Congress, in your presentation to the people in the States, you assured them by one of your so-called sacred covenants that you would keep income-tax reports inviolate; that you would not permit their inspection; that nobody would have access to them. Upon that assurance the people of the States finally ratified the sixteenth amendment. Now, what do we find? We find that you are not keeping faith with the people. This is simply another case of opening the records of a private individual to the snoopers, to the people who want to pry into the private affairs of the people. I say the time has come for you Members, if you are ever to keep a pledge with the American people, to look over the record of the assurances you gave the people at the time you asked them to ratify this amendment. Had you told the people at that time that you were going to open up these records to public inspection you never would have had the sixteenth amendment adopted, never in the wide world. [Applause.]

Now, let us keep faith for once with the American people.

This is only the beginning—divulging information to the curious. In a little while access to private affairs will be thrown wide open; you will not only be making one copy but a series of copies, and you will be furnishing copies to Rotary Clubs and women's clubs, and all at the expense of the taxpayer; and income-tax payers will be fined unless they furnish and pay for these extra copies. That is not all. In this bill you are not repealing the criminal law at all. It stands there, a fine of \$10,000 or 1 year's imprisonment, or both, if they fail to file a copy. I object to this assessment and to the drastic criminal feature to which a citizen is subjected.

I shall vote against this bill.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the person who is most likely to be dilatory in getting his tax return under the wire is the little man who does not have expert tax advice. He includes by far the larger number of taxpayers. The records for 1933 show that there were 398,000 returns where the tax averaged less than \$10; there were 1,480,000 returns where the average tax was less than \$14.02; and there were 900,000 returns where the tax was less than \$29.01. So you have, in round numbers, about 2,780,000 returns where the tax is less than \$30.

By this bill you will add a 50-percent penalty for failure or delay in making a copy of the return where the tax was only \$10.60; you will add 33½ percent where the tax was only \$14.02. These groups make up the huge aggregate of the people who might be reached by this bill. They are the small taxpayers. They are the ones to whom this penalty will automatically attach if they do not file the copy with their tax return. In the case of almost 400,000 returns this penalty will be equal to one-half of the tax paid. In the case of 1,480,000 returns it would be equal to 33½ percent of the tax paid. Why put this unjust burden upon the little fellow everywhere in the country who makes up the bulk of those who send in returns and who is the most likely to be penalized by this kind of measure?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, there seems to be a misunderstanding with regard to the purpose of this green slip. It has been asked for by the Treasury that they may in a more efficient and less expensive way carry out the law. No more information will be divulged by this green slip than may be obtained today. That is not the purpose of the green slip. The purpose is to satisfy the States who are requesting the originals.

The Treasury Department advises that today they have blanket orders from the States for every tax return. The

Treasury Department states that if they have this green-slip copy to send to the States it will help them run the Department of Internal Revenue more efficiently and economically.

It is difficult to send the original returns to the States when they are needed here in Washington. I cannot see any reason for opposition to this act.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, earlier in the debate this afternoon the chairman of the Committee on Ways and Means said that this would facilitate the collection of the tax here in Washington and facilitate the examination of the returns. I asked the gentleman several questions, for I could not quite understand it; and the gentleman from Kentucky volunteered the information that if an inspector in Washington was looking over the returns and a request for them came from a State, he would have to turn them over to the State, thus delaying the work of inspection in Washington.

The law relative to inspection reads:

The inspection shall be made in such manner and at such times and places as shall be prescribed by regulation made by the Commissioner with the approval of the Secretary.

So following the law, all they have to do is to say to the States that these reports are not open to their inspection until the Department has completed inspection here in Washington. There is absolutely nothing to the statement made by the gentleman from Kentucky in answer to my question.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I am certain my friend from New York recognizes the fact that after this inspection work is done here, very often, and in many, many cases, perhaps thousands of cases, the report is sent to the field for a field investigation.

Mr. SNELL. Yes; but the gentleman stated in reply to my question that they would have to stop their work of examination here in Washington. Then somebody else would come along the next day and want to look at the return and the Department would not complete its work. That is not so under this law; so there is nothing to that argument.

Mr. McCORMACK. Will the gentleman yield?

Mr. SNELL. Let me ask the gentleman a question first. [Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. I have not any time to yield, but I yield to the gentleman in whatever time I may have.

Mr. SNELL. The gentleman said a little while ago that this is for the protection of the individual taxpayer. Will he tell me how it protects the taxpayer as long as the criminal part of the statute is still on the books and unrepealed?

Mr. McCORMACK. Why, this bill here succeeding in its passage existing provisions which have been referred to, and which, I am frank to say, I have serious doubt applies, but, in any event, being passed and succeeding the other provision, it also supersedes it.

Mr. SNELL. No; it does not; and it is not so held by the courts.

Mr. McCORMACK. Yes.

Mr. SNELL. This does not supersede unless it also repeals. The criminal provision is still on the statute books. If it is desired to repeal it, why do we not repeal it and leave no doubt?

Mr. McCORMACK. That criminal provision relates to a number of different offenses. This here involves the penalty for this specific violation only.

Mr. SNELL. I know that; but you could repeal it in this respect, and unless you do it still stands, and what you are doing today in no way affects it.

Mr. McCORMACK. May I express my appreciation to the gentleman for asking me to yield in his time?

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, the right of privacy is a private right inherent in American citizenship under the Constitution. The Revenue Act of 1934, insofar as it provides for publicity of income-tax information, violates that right. It was guaranteed to the American people when the income-tax system was adopted that all information incidental to the collection of the tax would remain confidential with the Government officials in charge. A year ago, in response to universal demand, the so-called "pink slip" provision was repealed, and the American people had the idea that the matter was disposed of. Every argument made a year ago in favor of repealing that provision is applicable here today. The thing to be done at this time comes from the lips of the chairman of the Committee on Ways and Means, who a few moments ago suggested that one of three things should be done. The first of his suggestions was to repeal the law which would eliminate the necessity for this legislation. I concur in this suggestion. It is the thing that should be done if the American Congress is to keep faith with the American people in this matter.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman realizes, of course, we intended to do that, but it cannot be done by this House alone.

Mr. McLEAN. With all the power and influence of the Democratic Party in the Congress of the United States today, if it is necessary to keep faith with the American people, certainly you ought to be able to find the means and power to enact the kind of law which ought to be enacted to meet this situation.

Mr. DOUGHTON. The gentleman must remember that he is not the only judge of keeping faith with the American people. Some other people have views on that also.

Mr. McLEAN. I will leave that to the American people. If it was the thought of Congress last year in repealing the "pink slip" provision of the revenue act to preserve the privacy of the income-tax returns—and that was not accomplished—then we should carry the idea further and defeat this bill and provide the necessary legislation to guarantee that privacy.

Mr. BACHARACH. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, following the remarks of the gentleman from Illinois in reference to these small taxpayers, they will probably be greeted, as I was a day or two ago, by the announcement of the notary public to the effect that, instead of 50 cents, two documents have been attested and therefore the charge will be \$1. It is a simple matter, but it is still another one of those annoyances accompanying the payment of this disputed tax.

In closing I want to pay my acknowledgment to the gentleman from New York [Mr. REED], who has again reminded the Members of Congress of promises made to the American people relative to the secrecy of returns, when ratification was being urged. I have reminded Members on the floor of this House many times of those promises. I have also often reminded the Members of the House of the \$400,000,000 that it costs the taxpayers to make these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, we now have plank no. 1 for our Republican friends. Having adopted it, I feel certain they will not have any trouble finding someone who will accept the nomination and suffer an overwhelming defeat in November.

Mr. Chairman, I never in all my life saw such a tempest in a teapot. Why, the gentleman from Massachusetts [Mr. GIFFORD] talks about a 50-cent notary fee that a taxpayer will have to pay for notarizing the copy. God bless him, he was trying to take care of his small taxpayers, and yet he simply overlooked the fact the Treasury regulations do not require the taxpayer to make oath to this copy which he files. In his paying 50 cents to the notary the gentleman was generous, as usual.



Let us look at this situation. It is most difficult to try to agree with our Republican friends during a campaign year.

One of the best friends I have in the House, TOM JENKINS, criticizes this bill because it deals with a regulation. My recollection is, and I am certain about it, the original bill introduced had a direct, affirmative charge. It was an amendment to section 55 (b), and it required the filing of a copy. Some of the boys on the committee thought they saw a "nigger in the woodpile." They did not want that. We tried to agree with them. A new bill was introduced amending section 55 (c), that dealt with existing law.

Now, what is the situation? My friends on this side of the aisle talk about publicity. There is no need to talk about publicity of income-tax returns, since it is not involved herein. The Democratic membership of this House passed the repeal of the "Pink Slip" Act. I will say that many distinguished gentlemen on the Republican side agreed with us. The history of such legislation is pertinent. A bill was offered to repeal the "pink slip" provision. It passed the House and went to another body. The La Follette amendment calling for full publicity was written into the law, and the bill went to conference, and this legislation was the result of that compromise in conference.

Now, it is undoubtedly true that if the pound of flesh were desired for failure to file the copy called for by Treasury regulation, the small taxpayer, the medium sized taxpayer, and the large taxpayer, each and every one, could be indicted in Federal court and subjected to this fine or this imprisonment, or both.

In view of this situation, while I would not go so far as to say that the enactment of this law would be in lieu of that criminal law, I think it is fair to say that the Treasury officials, the Department of Justice, and the district attorneys would certainly recognize that while this assessment of \$5 for individuals and \$10 for corporations for failure to file the required copy of returns is not a fine, it is, in effect, in lieu of the criminal proceedings.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I have copies of these returns on which I mentioned I paid \$1 or 50 cents each.

Mr. VINSON of Kentucky. And it has a blank place where you can sign. It has blanks for oath; but I may say to the gentleman, my good friend, that the Treasury regulation does not require making an oath to the copy, requiring his paying that 50 cents. I will say further that if it galls him because he paid the 50 cents, I will pay it for my friend.

Mr. GIFFORD. That is the kind of argument we hear so much.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BACHARACH. If they are not enforcing the criminal portion of the act, why do you not repeal it? You have a majority both in this body and in the other body.

Mr. VINSON of Kentucky. The gentleman knows that the act which contains the criminal penalty deals with many other violations of the internal-revenue law.

Mr. BACHARACH. Why not repeal the part about the income tax?

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. MILLARD. Could we not add to this bill that that provision of the law shall not apply here?

Mr. VINSON of Kentucky. The gentleman could do that. I am very happy we have the issue for the 1936 campaign. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That section 54 of the Revenue Act of 1934, as amended, is amended by inserting at the end thereof the following new subsection:

"(d) Copies of returns: If any person, required by law or regulations made pursuant to law to file a copy of any income

return for any taxable year beginning after December 31, 1934, fails to file such copy at the time required, there shall be due and assessed against such person \$5 in the case of an individual return or \$10 in the case of a fiduciary, partnership, or corporation return, and the collector with whom the return is filed shall prepare such copy. Such amount shall be collected and paid, without interest, in the same manner as the amount of tax due in excess of that shown by the taxpayer upon a return in the case of a mathematical error appearing on the face of the return. In case of a person who filed a return for any taxable year not beginning after December 31, 1935, such amount of \$5 or \$10 shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. Copies of returns filed or prepared pursuant to this subsection shall remain on file for a period of not less than 2 years from the date they are required to be filed, and may be destroyed at any time thereafter under the direction of the Commissioner."

Mr. THOMPSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, strike out the figures "1934" and in lieu thereof insert "1935."

Mr. THOMPSON. Mr. Chairman, the purpose of this amendment is to postpone the effect of this legislation for the current income-tax filing period. It seems to me that the taxpayers of the country, both individual and corporate, are entitled to some notice that they are obliged to file copies of this kind.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. They are given one notice when the green slip is forwarded to them, and this provides for a second notice.

Mr. THOMPSON. They had the notice when they received the return with the green slip saying it must be filed—

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. COOPER of Tennessee. If the gentleman will look on page 2, line 10, of the bill, he will see that it says the amount of \$5 and \$10 will be due and assessed only if a copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy.

Mr. THOMPSON. I know; and my purpose is to make inoperative the legislation against the returns now being filed.

I propose to later offer an amendment advancing the date in line 8, page 2.

Mr. COOPER of Tennessee. There can be no confusion or difference between us. The bill provides that for this year if any taxpayer fails to include the green slip or copy, the duty is imposed on the collector to mail him a notice calling his attention to it and asking him to send it in. It is only then that the assessment of \$5 and \$10 can be made.

Mr. THOMPSON. That is true, but my purpose is to postpone the whole proceeding for 1 calendar year.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. If the taxpayer ignores the two notices, then the assessment of \$5 or \$10 takes place. The gentleman would not defend prosecution under the provision that has been alluded to indicting a man and fining him \$10,000—

Mr. THOMPSON. Oh, no; and the great majority of district attorneys would throw the collectors or deputies out of the office who attempted it. [Applause.]

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The purpose of the gentleman's amendment is to give the present law a chance to be tried.

Mr. THOMPSON of Illinois. For 1 year; yes.

Mr. DONDERO. I call the gentleman's attention to the fact that there are only 5 days left for filing returns.

Mr. THOMPSON of Illinois. Yes; and this bill has to get through the other body so that there will not be any time left. It will be retroactive. I think it is due to our constituents

that this enactment be postponed for 1 year, if not killed entirely. [Applause.]

Mr. CHAIRMAN, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio)—there were ayes 44, noes 67.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JENKINS of Ohio: At the end of the bill insert a new section, as follows:

"Section 145 of the Revenue Act of 1934 be amended as follows: 'After the last word and period of subsection (a) add the following: This section shall not apply to a failure on the part of any taxpayer to file a copy of his income-tax return.'"

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill or to the section to which it is offered.

Mr. JENKINS of Ohio. Mr. Chairman, I maintain that the amendment is in order for this reason: The primary purpose of this section is to place a penalty on an individual for not doing a certain thing. There is already a statutory law, as I stated in my remarks, providing a penalty for not doing that identical thing. All in the world this does is to say, in effect, that if this bill is passed, then there shall not be two means of punishment of an individual who may violate this provision. If this bill passes it provides a penalty, that is, an assessment to be levied by the Department; and, assuming that the bill will pass, then the man who fails to file his green slip will be confronted with two punishments and the Department may have a chance to punish him twice, because when it levies this assessment it will not be a criminal punishment, such as a man might take advantage of under the Constitution as having placed him twice in jeopardy, but, in effect, it will be the same thing. The bill before us proposes to amend the revenue law of 1934. My amendment proposes to amend the same law by providing that if a taxpayer fails to file the copy he will be amenable to but one assessment. It is surely germane and clearly applicable.

Mr. COOPER of Tennessee. Mr. Chairman, of course, the gentleman's argument does not in any sense touch the point of order made. He has made an argument entirely outside of the scope of the point of order. The point of order is that the pending bill seeks to amend section 54 of the Revenue Act of 1934. It does not in any way relate to, refer to, or have anything to do with section 145, which is referred to in the amendment offered by the gentleman from Ohio. The provision of law, the section of the act sought to be amended by the gentleman from Ohio, is not even under consideration here; it is not even referred to as a part of the bill. There can be no doubt that the amendment offered by the gentleman from Ohio is not germane to the pending bill. Therefore, I make the point of order.

The CHAIRMAN. The Chair is ready to rule. This bill relates to section 54, which provides for special returns. The gentleman's amendment relates to section 145, which pertains to penalties. The Chair does not think the amendment is germane and therefore sustains the point of order.

Mr. KENNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. KENNEY: Page 2, line 12, after the word "copy", strike out the period, insert a comma, and add: "But such amount as may be due and assessed hereunder may be remitted by the collector for good cause shown in failing to file a copy within the 15-day period."

Mr. KENNEY. Mr. Chairman, the bill as written, according to my understanding, provides for an arbitrary penalty. An individual might be subject to the assessment or fine even though he acted in perfect good faith. In the first place, of course, the taxpayer must file his copy with the return, but there is the provision that in case of a person who filed a return for any taxable year not beginning after December 31, 1935, the amount of \$5 for an individual return and \$10

for a fiduciary, partnership, or corporation return shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. An individual must file it after being notified by the collector within 15 days of the mailing of the request for the copy, and if he does not file it within that arbitrary period he is subject to the stated fine and assessment. It may well be that a man might be ill or away from home when the notice is sent by the collector, and the time begins to run from the day that the collector mails out the letter. If he should happen to be ill or away and the 15-day period should elapse before the request came to his attention, although he immediately sent in his copy to the collector, he would still be compelled to pay the fine and assessment. He might go to the collector and explain the circumstances. They would be extenuating circumstances, and the collector might feel there should be no penalty in a case like that, but the official would be compelled to say that he must collect the fine because it is mandatory under the provisions of the bill. I feel some discretion ought to be given the collector where the taxpayer proves to his satisfaction that he has filed his copy as soon as he could reasonably in the circumstances of any given case. In a proper case the collector ought to be in a position where he could, if the circumstances warranted, remit the five- or ten-dollar fine. It was said by one of the members of the committee today that this is a minor matter. These minor matters are important. In the section where I live people come to me from time to time on matters like this, only to find that public officials have no discretion in many worthy causes where discretion should be used. I ask that my amendment be adopted.

Mr. McCORMACK. Mr. Chairman, the opposition to this bill by some of our Republican friends is consistent with the tactics that are being generally employed, which, in the common language of the day, are known as "sniping."

The gentleman from Ohio [Mr. JENKINS] undertakes to call this harmless bill "un-American." It is a favorite word today. It is the favorite practice to hurl the charge of un-Americanism against any bill or any person favoring progressive legislation.

This is a simple bill. Its history is simple. In 1934 we passed a tax bill to close up certain gaps in tax evasions. That bill passed the House. It went to the Senate. The Senate amended that bill and put in the "full publicity" provision. That was put in by a member of the Republican Party, the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE].

That bill went to conference with certain differences existing between the two Houses. The conferees brought back a report which was signed by the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from New Jersey [Mr. BACHARACH]. They did the best they could under the circumstances. They whittled down the "full publicity" provision, and I agreed with them. I am against full publicity. They did the best they could—not what they would like to have done, but they did the best they could under the circumstances. They brought about what was known as the "pink slip" law. Last year the Ways and Means Committee reported out a bill repealing the "pink slip" law, and that bill went to the Senate. In the Senate the bill met "full publicity" again. It went to conference, and the conferees did the best they could. They brought back and reported to the House a compromise that was agreed upon last year. I would like to have seen them go further, personally, but they did the best they could under the circumstances. This bill is simply to clarify the act of last year which the conferees brought back with a united report, both Republicans and Democrats, on an amendment put in in the Senate by a Republican Senator.

You and I know that where practical differences exist between the two branches of Congress the conferees must do the best they can. They did it last year, and the House accepted their report. The conferees recommended to us that the Commissioner of Internal Revenue have the power by



rule and regulation to require a copy of the return. That is provided for under the present law, and if a person did not file a copy he could be punished by imprisonment for not more than a year or by a fine of not more than \$10,000, or both. Nobody wants that. Nobody would stand for that. Yet, there was that possibility staring taxpayers who innocently or otherwise might not file their copy, in the face. I am not saying whether or not I agree that a copy should be filed. I am not saying whether I agree in the right of States to inspect the copy. That is not the question. The regulation has been issued. Criminal proceedings are staring our taxpayers in the face who do not file a copy, and the purpose of this law is to minimize the possible harshness of the existing statute, which might affect any person who does not file his return.

Mr. TABER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TABER. Does not the gentleman think that this provision for a fine and imprisonment that is now on the statute books should be repealed, and would not the gentleman join in an effort to repeal it?

Mr. McCORMACK. That is not the question before us today.

Mr. TABER. Well, it should be.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. That is not the question before us today. We are not confronted with that question. I might join with the gentleman, but that is not the question, and that is where many Members are confused. A regulation has been issued calling for a copy. We must consider our local governments. As long as this law is on the statute books are we going to compel our States, cities, and towns to spend money sending men down to Washington to examine the returns?

Mr. FIESINGER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FIESINGER. When was the regulation adopted, about which the gentleman is speaking?

Mr. McCORMACK. The regulation was adopted by the Commissioner of Internal Revenue by reason of the act of last year.

Mr. FIESINGER. But when was it adopted?

Mr. McCORMACK. I could not answer that; but it was subsequent to the law of last session, a compromise between the two Houses on the differences existing, going into effect.

Mr. FIESINGER. We did not file any green slips last year, did we?

Mr. McCORMACK. No.

Mr. CRAWFORD. If the gentleman will yield, regulation no. 6 came out just a few days ago.

Mr. McCORMACK. I think it was longer than that. In any event, the regulation was issued subsequent to the going into effect of the law of last year. Our local officials are entitled to consideration as long as this law is on the statute books. Why compel them to come to Washington to examine these returns? This is not a question of the repeal of a law. As the matter presents itself today, we have to consider the expenses of our local governments, and the convenience of both Federal and State and local officials. I am just as jealous as any other Member of protecting the rights of American citizens. I oppose full publicity. I opposed the pink slip of last year. I might join in the repeal of the existing law, which is not before us today; but looking at the evidence honestly as it presents itself to me, I see this bill as helping the taxpayer and helping our local governments. I can see nothing offensive about this bill at all. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. KENNEY].

The question was taken; and on a division (demanded by Mr. KENNEY) there were—ayes 33 and noes 71.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio: Page 2, after line 16, insert the following:

"Provided, That all penalties herein provided shall be in lieu of all other fines, penalties, and imprisonment provided for the same defaults."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against this amendment that it is not germane to this section or to the bill. Certainly by indirection it cannot do something that cannot be done directly, as was pointed out a few moments ago in the argument I made in support of the point of order made at that time.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. JENKINS of Ohio. Yes; I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JENKINS of Ohio. Mr. Chairman, this amendment has been prepared carefully and logically fits in at the close of the last word of this proposed legislation. It deals with material that is included in the resolution and nothing else. The bill provides some sort of fine or penalty. One might feel that there is some question as to whether it provides a fine or a penalty or an assessment, but whatever would be the proper denomination, there is no question that if a taxpayer fails to file this copy, something will happen to him.

All this amendment does is to specify specifically whether this man who violates this law is going to be up against both barrels of the same gun or whether he is going to be shot by one barrel at a time; that is all it does. It has no extraneous implication or uncertain literary effect. It is not hard to understand. It means but one thing, and that it it limits what you propose to do in the bill. It must be germane.

Mr. COOPER of Tennessee. Mr. Chairman, I simply want to supplement my previous statement by inviting the attention of the Chair to the fact that all this bill does is to provide an additional assessment. It does not relate to any question of penalty or any question of imprisonment. None of the subject matter incorporated in the gentleman's amendment is either incorporated in or referred to in the pending bill.

Mr. TABER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. TABER. Mr. Chairman, this act provides a penalty of from \$5 to \$10 for violation of certain things, that is for failure to file this copy of the return. It, therefore, makes germane any amendment which deals with the penalty for that violation. An amendment, therefore, which provides that this particular fine and imprisonment shall be in lieu of other fines and imprisonment is germane.

The CHAIRMAN. The Chair is ready to rule.

The Chair believes this bill does not deal with penalties in any way. The point of order, therefore, is sustained.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, briefly, when a person displays ignorance, of course, he likes to be corrected. I made a remark that one of the annoying things in connection with this duplicate return was that, instead of charging 50 cents, the notary public would charge \$1, as was done to me. The gentleman from Tennessee in his joking way said it was no argument that I should feel badly about the 50 cents; that if I did, he would pay it back to me.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Not yet; I will yield in a moment.

Mr. COOPER of Tennessee. I think the gentleman is honoring me unjustly with his references. He should pay the honor to whom it is due.

Mr. GIFFORD. Perhaps I am wrong about that; but anyway, I carefully looked over a tax blank and found that I apparently acted quite correctly. I then walked over to the gentleman and asked him about the information. I think we all should have it. Certainly the gentleman from Tennessee is a tax expert and he gets his knowledge immediately.

It was seemingly regarded of sufficient importance, so that on February 18, 1936, the Treasury did make a regulation that one need not pay the notary public for making out that duplicate return; but that regulation came rather late. All these blanks have been put out. The people do not know it and they will probably pay for two affidavits. It is a small matter, but it is another of those very annoying things connected with the income tax, as I said before. The hiring of somebody to help you make out the return, the bookkeeping, the difficulty of recovering overpayments—all these things added together, according to the figures of one of the greatest experts on the subject, amount to \$400,000,000. This is the cost to our citizens merely for making out the returns.

I have simply called attention to another little irritation. I hope I have now apologized sufficiently for my lack of information, but the gentleman himself only knew it on February 18, just a few days ago.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I did not know it until today, and I gave the gentleman the source of my information at that time. I do not think the gentleman from Massachusetts should be blamed for not knowing about that regulation. I do not think we ought to hold it against him for a split second.

Mr. GIFFORD. I am glad to have the gentleman's statement, but he did so delight in showing up my ignorance. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the rule the Committee rises. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, pursuant to House Resolution 437, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered on the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BACHARACH) there were—ayes 110, noes 63.

Mr. BACHARACH. Mr. Speaker, I make the point of no quorum and object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members present, a quorum.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 268, nays 96, answered "present" 1, not voting 65, as follows:

[Roll No. 32]

YEAS—268

Adair	Cannon, Mo.	Cross, Tex.	Duncan
Ashbrook	Cannon, Wis.	Crosser, Ohio	Dunn, Miss.
Bankhead	Carmichael	Crowe	Dunn, Pa.
Barry	Carpenter	Cullen	Eagle
Bell	Cartwright	Cummings	Edmiston
Berlin	Cary	Curley	Ellenbogen
Biermann	Castellow	Daly	Evans
Binderup	Celler	Darden	Faddis
Bland	Chandler	Deen	Farley
Blanton	Chapman	Delaney	Fernandez
Boehne	Citron	Dempsey	Flesinger
Boileau	Claiborne	DeRouen	Fletcher
Boland	Clark, N. C.	Dickstein	Ford, Calif.
Boykin	Cochran	Dies	Ford, Miss.
Boylan	Coffee	Dietrich	Frey
Brooks	Colden	Disney	Fuller
Brown, Ga.	Colmer	Dobbins	Gambrill
Brown, Mich.	Connery	Dockweiler	Gasque
Buchanan	Cooper, Tenn.	Doxey	Gavagan
Buck	Cox	Drewry	Gehrman
Buckler, Minn.	Cravens	Driscoll	Gilchrist
Burch	Crawford	Driver	Gildea
Burdick	Creal	Duffey, Ohio	Gillette
Caldwell	Crosby	Duffy, N. Y.	Gingery

Goldsborough	Lambeth	O'Malley	Smith, Va.
Granfield	Lanham	O'Neal	Smith, Wash.
Gray, Pa.	Larrabee	Owen	Smith, W. Va.
Green	Lea, Calif.	Palmisano	Snyder, Pa.
Greenway	Lee, Okla.	Parks	South
Greenwood	Lemke	Patman	Spence
Greever	Lesinski	Patterson	Stack
Gregory	Lewis, Md.	Patton	Starnes
Griswold	Lucas	Pearson	Stefan
Haines	Luckey	Peterson, Ga.	Stubbs
Hamlin	Ludlow	Pettengill	Sumners, Tex.
Hancock, N. C.	Lundeen	Peyser	Sweeney
Harlan	McClellan	Pfeifer	Tarver
Harter	McCormack	Pierce	Taylor, Colo.
Hennings	McFarlane	Polk	Taylor, S. C.
Higgins, Mass.	McGehee	Rabaut	Terry
Hildebrandt	McGrath	Ramsay	Thom
Hill, Ala.	McKeough	Ramspeck	Thomason
Hill, Knute	McLaughlin	Randolph	Tolan
Hill, Samuel B.	McSwain	Rankin	Tony
Hobbs	Mahon	Rayburn	Turner
Houston	Maloney	Reilly	Umstead
Huddleston	Mansfield	Richards	Utterback
Hull	Marcantonio	Richardson	Vinson, Ga.
Imhoff	Martin, Colo.	Robertson	Vinson, Ky.
Jacobsen	Mason	Robinson, Utah	Wallgren
Jenckes, Ind.	Massingale	Rogers, N. H.	Walter
Johnson, Okla.	Maverick	Rogers, Okla.	Warren
Johnson, Tex.	May	Rudd	Wearin
Johnson, W. Va.	Mead	Ryan	Weaver
Jones	Merritt, N. Y.	Sabath	Welch
Keller	Miller	Sadowski	Werner
Kennedy, Md.	Mitchell, Tenn.	Sanders, Tex.	West
Kennedy, N. Y.	Monaghan	Sandlin	Whelchel
Kerr	Moran	Sauthoff	White
Kleberg	Moritz	Schneider, Wis.	Whittington
Kloeb	Mott	Scott	Wilcox
Kniffin	Murdock	Scrugham	Williams
Knutson	Nelson	Secrest	Withrow
Kocialkowski	O'Brien	Shannon	Wood
Kopplemann	O'Connell	Sirovich	Woodrum
Kramer	O'Connor	Sisson	Young
Lambertson	O'Leary	Smith, Conn.	Zimmerman

NAYS—96

Allen	Engel	Lehlbach	Rich
Andresen	Englebright	Lewis, Colo.	Risk
Andrew, Mass.	Fish	Lord	Robison, Ky.
Arends	Focht	McAndrews	Rogers, Mass.
Bacharach	Fulmer	McLean	Schaefer
Bacon	Gearhart	McLeod	Schuetz
Beam	Gifford	McMillan	Shanley
Blackney	Goodwin	Maas	Short
Bolton	Guyre	Main	Snell
Brewster	Gwynne	Mapes	Stewart
Burnham	Halleck	Martin, Mass.	Sullivan
Carlson	Hancock, N. Y.	Merritt, Conn.	Sutphin
Carter	Hart	Michener	Taber
Church	Hartley	Millard	Taylor, Tenn.
Cole, N. Y.	Hess	Norton	Thompson
Collins	Hoffman	Parsons	Thurston
Cooper, Ohio	Hollister	Perkins	Tinkham
Costello	Holmes	Pittenger	Turpin
Culkin	Hope	Plumley	Wigglesworth
Darrow	Jenkins, Ohio	Powers	Wilson, Pa.
Dirksen	Kahn	Ransley	Wolcott
Dondero	Kelly	Reece	Wolfenden
Elcher	Kenney	Reed, Ill.	Wolverton
Ekwall	Kinzer	Reed, N. Y.	Woodruff

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—65

Amle	Crowther	Hook	Russell
Andrews, N. Y.	Dear	Kee	Sanders, La.
Ayers	Dingell	Kvale	Schulte
Barden	Ditter	Lamneck	Sears
Belter	Dorsey	McGroarty	Seger
Bloom	Doutrich	McReynolds	Somers, N. Y.
Brennan	Eaton	Marshall	Steagall
Buckbee	Eckert	Meeks	Thomas
Buckley, N. Y.	Fenerty	Mitchell, Ill.	Tobey
Bulwinkle	Ferguson	Montague	Treadway
Casey	Fitzpatrick	Montet	Underwood
Cavichia	Flannagan	Nichols	Wadsworth
Christianson	Gassaway	O'Day	Wilson, La.
Clark, Idaho	Gray, Ind.	Oliver	Zioncheck
Cole, Md.	Healey	Peterson, Fla.	
Cooley	Higgins, Conn.	Quinn	
Corning	Hoepfel	Romjue	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Doughton (for) with Mr. Treadway (against).  
 Mr. McReynolds (for) with Mr. Wadsworth (against).  
 Mr. Schulte (for) with Mr. Crowther (against).  
 Mr. Gray of Indiana (for) with Mr. Ditter (against).  
 Mr. Romjue (for) with Mr. Seger (against).  
 Mr. Bloom (for) with Mr. Christianson (against).  
 Mr. Gassaway (for) with Mr. Higgins of Connecticut (against).  
 Mr. Amle (for) with Mr. Thomas (against).  
 Mr. Belter (for) with Mr. Buckbee (against).  
 Mr. Fitzpatrick (for) with Mr. Tobey (against).



Mr. Flannagan (for) with Mr. Eaton (against).  
 Mr. Steagall (for) with Mr. Andrews of New York (against).  
 Mr. Somers of New York (for) with Mr. Marshall (against).  
 Mr. Dingell (for) with Mr. Cavicchia (against).

#### General pairs:

Mr. Bulwinkle with Mr. Doutrich.  
 Mr. Oliver with Mr. Fenerty.  
 Mr. Sears with Mr. Kvale.  
 Mr. Nichols with Mr. Eckert.  
 Mr. Lamneck with Mr. Dear.  
 Mr. Cooley with Mr. Kee.  
 Mr. Sanders of Louisiana with Mr. Quinn.  
 Mr. Corning with Mr. Wilson of Louisiana.  
 Mr. Meeks with Mr. Montet.  
 Mr. Cole of Maryland with Mr. Clark of Idaho.  
 Mr. Mitchell of Illinois with Mr. Buckley of New York.  
 Mr. Ferguson with Mr. Healey.  
 Mr. Russell with Mrs. O'Day.  
 Mr. Barden with Mr. Hook.  
 Mr. Casey with Mr. Montague.  
 Mr. Zioncheck with Mr. Brennan.  
 Mr. Underwood with Mr. McGroarty.

Mr. O'BRIEN changed his vote from "nay" to "yea."

Mr. CONNERY. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. HEALEY, is unavoidably absent on official business. If present, he would vote "yea."

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. DORSEY, is absent on account of illness in his family. If present, he would vote "yea."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I wish to announce that my colleague the gentleman from Oklahoma, Mr. GASSAWAY, is unavoidably detained on account of illness. If present, he would vote "yea" on the bill.

Mr. DOUGHTON. Mr. Speaker, I voted "yea", but I have a general pair with the gentleman from Massachusetts, Mr. TREADWAY. I note that he did not vote, and I do not know how he would have voted if present. I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded, and a motion to reconsider was laid on the table.

#### COMMODITY CREDIT CORPORATION

Mr. DRIVER, from the Committee on Rules, reported the following privileged resolution which was referred to the House Calendar and ordered printed:

##### House Resolution 446

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 8998, a bill "To enable the Commodity Credit Corporation to better serve the farmers in orderly marketing and to provide credit and facilities for carrying surpluses from season to season." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

#### EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record, and to include therein a statement filed by certain small businessmen with the President of the United States in regard to legislation for their benefit.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. May I inquire just what is this request?

Mr. PATMAN. It is not a long statement, I may say to the gentleman from New York. The representatives of small businessmen were here a few days ago and called on the President of the United States. They delivered to him a statement in reference to what they would like to see passed in the form of legislation. The retail grocers, retail druggists, and other small enterprises of the Nation were represented. The statement is not long, and I should like to include it in the Record.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, are not the same statements included in the hearings held before the committee?

Mr. PATMAN. No; they are not in the record, and they do not appear in the report of the hearings.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### THE NATIONAL CONFERENCE OF INDEPENDENT BUSINESSMEN, INDEPENDENTS' DAY AT THE NATIONAL CAPITAL, MARCH 4, 1936

Mr. PATMAN. Mr. Speaker, to demonstrate their interest in the enactment of the Robinson-Patman bill now pending in Congress, some 1,700 independent distributors and producers came to Washington and met at Constitution Hall March 4 for the National Conference of Independent Businessmen, independents' day at the National Capital. They came from 37 States especially to attend this gathering and to see their Congressmen and Senators in behalf of the Robinson-Patman bill which is designed to end the long era of price discrimination. Many of those attending, particularly from the more distant States, were specially delegated by groups of independent businessmen to represent them and understand their expenses were paid by these groups. Among the more distant States represented were California, Idaho, Colorado, Arizona, Nebraska, North Dakota, New Hampshire, Texas, Oklahoma, and Florida.

At the two sessions held on March 4 addresses were made by Senator JOSEPH T. ROBINSON who introduced the bill in the Senate, Senator MILLARD E. TYDINGS, of Maryland, Congressman GERALD J. BOILEAU, of Wisconsin, an ardent supporter of the bill, and myself.

In addition to addresses by these national legislators, illuminating and enthusiastic talks were made by Mr. John M. Pohlhaus, director of the National Association of Retail Grocers; Mrs. H. J. Holmes, the wife of Mr. H. J. Holmes, of Holmes-Wildhaber Co., wholesale grocers of Omaha, Nebr., and a director of the Omaha Women's Club; Mr. B. S. Smith, a retail druggist of Ottumwa, Iowa; Mr. Herbert P. Sheetz, managing director of the National Retail Hardware Association; Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association; and H. C. Petersen, secretary-manager of the National Association of Retail Grocers.

State delegations were organized at the close of the morning session, March 4, and many dinners, luncheons, and conferences with Senators and Representatives were arranged and held on both March 4 and March 5. These delegations sent to the headquarters of the sponsoring associations most encouraging reports of their interviews with Congressmen and Senators. No effort was made to intimidate any Member of Congress. They merely presented their problems and asked for relief.

As the climax of the great gathering a committee for the conference, and representing also their individual associations, called upon President Roosevelt at the White House on Thursday afternoon, March 5, and presented to him a statement on the need for the enactment of the Robinson-Patman bill at the present session of Congress.

The committee representing the conference and also the associations of which the members of the committee are officials was as follows: Mr. J. A. O. Preus, ex-Governor of Minnesota, and now general counsel of the National Association of Retail Druggists, who made the presentation to the President in behalf of the committee; Mr. J. W. Dargavel and Mr. Rowland Jones, Jr., secretary and Washington representative, respectively, of the National Association of Retail Druggists; Mr. J. H. McLaurin, president, Mr. A. C. McCune, director, and Mr. R. H. Rowe, executive vice president of the United States Wholesale Grocers' Association; Mr. R. H. Huber, president, and Mr. Paul Fishback, secretary, of the National Food Brokers' Association; Mr. H. C. Petersen, secretary-manager, and Mr. L. E. Foy, director, of the National Association of Retail Grocers; and Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association.

The presentation to the President, made by this committee, was as follows:

The platform adopted by the Democratic National Convention in 1932 contains the following paragraph:

"We advocate the strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade prac-

tices, and revision thereof for the better protection of labor and the small producer and distributor."

That same platform "favored the restoration of agriculture" and the "spread of employment" for labor, and the "full measure of justice and generosity for all war veterans."

The platform closed with the pledge of the nominees of the convention to the philosophy of "Equal rights to all; special privileges to none."

A convention of delegates now here in Washington assembled, sent by smaller producers, distributors, and other independent business units in all parts of the Union, respectfully brings to your attention:

1. Commendable efforts have been made by the administration to accomplish the restoration of agriculture.

2. Commendable efforts have likewise been made to improve the situation of labor.

3. Certainly, the veterans, disabled and sound, have been treated with a "full measure of generosity."

4. On this third anniversary of the inauguration of the present administration there remains unfulfilled the pledge to strengthen and revise the antitrust laws for the better protection of the small distributor and producer. There are no "equal rights to all." There are special privileges to few at the expense of many. There is a real threat of monopoly.

The little man in business, the small merchant and manufacturer here in conference, asks only equal rights to all. He asks no special privilege. He wants no special privilege. He asks an opportunity to compete on an equal basis with all his competitors, both large and small.

This conference represents to you, Mr. President, that more than 20 years ago the Congress enacted the Federal Trade Commission Act and the Clayton Act, designed to control the situation now become intolerable. These two laws, because of their narrowing provisions and exemptions, have been ineffective to cure or even control unfair-trade practices.

The need for their strengthening and enforcement was apparent to the writers of the platform of the Democratic Party, as it was apparent to all.

There is now before the Congress proposed legislation to accomplish the results earnestly desired and requested by small producers and distributors. The Robinson bill (S. 3154), as reported with revisions by the Committee on the Judiciary, is now before the Senate, and is accepted by this conference as effective for the purpose.

The purpose of this bill is the elimination of oppressive discriminations in the nature of price discounts, rebates, and allowances, and it attacks them in the forms that have been more prevalent and hurtful in actual practice, while it carefully safeguards real efficiency and economy wherever they may be found or however devised in the stream of production and distribution.

A copy of the committee report, containing the bill as revised in the light of its studies, is furnished herewith for your convenience.

The companion and identical bill, the Patman bill (H. R. 8442), now before the House of Representatives, is still detained for study in the Committee on the Judiciary of the House.

These bills can be enacted into law and the relief promised the little man in business can be effected if Congress will proceed to their consideration, debate, and vote without further delay.

It must be borne in mind that this impending legislation does not call for appropriations. The existing bodies of the Government—the Federal Trade Commission and the Department of Justice—with existing personnel can make it fully effective.

Therefore, Mr. President, this conference of small-business men does most earnestly request and urge that you give this proposal your immediate consideration.

It is hoped that if necessary you will address a message to the Congress urging that this business be considered of primary importance and brought forward for consideration and passage without further delay. All of industry needs and must have this relief from unfair methods of competition. These representatives of the small-business men in industry do now plead with you for your cooperation and support.

**PHILIPPINE PROBLEMS AFFECTING THE UNITED STATES: OUTLINE OF—I. EFFECT OF PHILIPPINE INDEPENDENCE ON OUR INTERNATIONAL RELATIONS IN THE ORIENT; II. COMPETITION OF FOREIGN SUGAR WITH BEET SUGAR; III. COMPETITION OF PHILIPPINE COPRA AND COCONUT OIL WITH DAIRY PRODUCTS AND WITH LARD AND ANIMAL GREASES**

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, these remarks are made in order to give an account of the trip which the Vice President, the Speaker, the minority leader, and many other Members of the House and Senate made to the Philippines on the occasion of the inauguration of the Philippine Commonwealth.

I feel that this trip was made by me in the capacity of the Representative of the people of the Second Congressional District of Minnesota, and I feel that they are entitled to a full report on the journey.

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During the course of the trip I was able to view conditions in the Orient which are of grave significance to farmers in the United States and to those business interests in our country which compete with oriental producers.

It was not possible to view the conditions which our party saw in Japan, China, and the Philippines without drawing conclusions as to their economic importance to the United States, and I am going to briefly state my views on the important questions wherein our district may be affected by Philippine independence. These problems, in my opinion, are:

First. The general effect of Philippine independence upon the international relations of the United States in the Orient.

Second. Competition of Philippine sugar with beet sugar.

Third. Competition of Philippine copra and coconut oil with dairy products and with lard and animal greases.

#### INTERNATIONAL RELATIONS

As to the general effects of Philippine independence and our relations in the Orient:

The population of the Philippine Islands is approximately that of New York State—about 14,000,000. The islands are about 114,000 square miles in area. The Philippine Islands were ceded to the United States by Spain on April 11, 1899, at the conclusion of the Spanish-American War. Since that time it has been the avowed purpose of the United States to grant freedom to the islands when the Philippine people demonstrated their ability to govern themselves under a democratic form of government.

Filipino leaders have repeatedly requested independence, and on March 24, 1934, President Roosevelt approved the Tydings-McDuffy bill, which provided for the granting of complete independence to the Philippines. Under the terms of the bill all laws enacted by the Philippine Legislature are subject to the approval of the President of the United States, and the United States maintains supervision over Philippine affairs through a high commissioner stationed on the islands for a period of 10 years.

The bill further provides for gradual increases in the tariffs on Philippine exports to the United States commencing in 5 years, and provides for absolute withdrawal of American intervention in the islands on July 4, following the expiration of 10 years from the enactment of the bill. Since the United States has consistently maintained that she is not interested in territorial expansion, I believe that granting of freedom to the Philippines is in line with our foreign policy.

The Japanese Nation is, at the present time, exerting itself in a program of expanding its trade relations and its territorial limits. Japanese nationals have made great strides in their commerce and business relations in the Philippines. The members of our party were amazed at the extent to which the Japanese influence is felt in the islands. It is probable that, if American control of the Philippines continued, an eventual clash between American and Japanese interests would occur. Withdrawal of our flag will aid our Nation to avoid becoming embroiled in oriental international complications and from that standpoint is, in my opinion, a desirable step. If democratic government in the Philippines is a success, it may have an effect upon the growth of democracy in other oriental nations. If this occurs, the United States will have performed a world service by the establishment of the first successful oriental democracy.

#### SUGAR

As to Philippine sugar:

The consumption of sugar in the United States averages about 6,000,000 tons annually.

Under the provisions of the Jones-Costigan Act quotas are established based upon past production which allow the beet-sugar areas of the United States an annual production of approximately 1,555,000 short tons and the cane-sugar areas of Louisiana and Florida an annual production of 260,000 short tons, raw value.

The Philippines are allowed a quota of approximately 50,000 long tons refined sugar and 800,000 long tons raw sugar.



Hawaii is allowed approximately 956,000 tons raw value. Cuba is allowed approximately 1,900,000 tons. Philippine sugar is duty-free, while Cuban sugar pays a duty reduced by reciprocal trade agreement to 90 cents per hundred pounds. The balance of our consumption of sugar in this country come from Costa Rica and other areas.

There are great areas in the United States adaptable for sugar-beet production and there is great room for expansion of beet-sugar production in this country.

The effect of the Jones-Costigan quota law is to restrict further expansion of beet-sugar production in the United States in favor of Cuban and Philippine producers. This is an injustice to the farmers in the beet-sugar area and the potential beet-sugar area of the United States. Sugar beets return a comparatively high profit to producers as compared to other farm products. Therefore it is my opinion that beet-sugar production in the United States should be allowed to expand to its broadest limits, and insofar as the Jones-Costigan Act restricts this tendency it is, in my opinion, faulty.

American sugar-beet farmers should be permitted to name their own quotas and to produce to their full capacity before quotas are allowed to other territories.

Under the Tydings-McDuffy bill, which is the law which grants independence to the Philippines, provision is made that at the end of 5 years an excise tax of 5 percent of the full duty shall be imposed on Philippine sugar. This tax is to increase 5 percent per year until it reaches 25 percent in the tenth year of Philippine freedom. The effect of this will undoubtedly have a tendency to place beet-sugar producers in a better competitive position than heretofore.

It is my position on the sugar question that domestic sugar-beet farmers should be allowed to determine the capacity of their own production and to name their own quotas. Domestic beet producers should have the first call on the domestic market.

The ending of our connection and moral responsibility to the Philippines will no doubt encourage this result.

#### COPRA AND COCONUT OIL

As to Philippine copra and coconut oil:

Copra, which is the meat of the coconut, is exported to the United States in large quantities for pressing for the extraction of oil, which is used in the manufacture of oleomargarine, soap, and lard.

Copra and coconut oil, insofar as they are used for oleomargarine and lard, compete with American dairy and animal products.

Under an act now in force, an excise tax of 3 cents per pound is imposed upon these products. This tax is collected as a processing tax and is repaid by the United States to the producers in the Philippines. Its purpose and effect is to raise the price of butter and lard substitutes so that domestic products can successfully compete.

It has been argued that since the Philippines have been under our flag we should impose no penalties on their products. We had an opportunity in the Philippines to see coconut and copra mills in operation. Coconuts are very easily produced in large quantities and the labor employed has very low standards. The wages paid to the workers in the coconut mills which we visited was approximately 1 peso, or about 50 cents per day.

I believe in the maintenance of the excise taxes on such portions of copra and Philippine oils as compete with our agricultural products, because American farmers must be protected from competition with labor which works under the low standards existing in the Philippines.

The granting of independence to the islands will tend to relieve the United States from granting preferred treatment in this regard.

#### THE LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and, pending that, I ask

unanimous consent that general debate continue for today, and at noon tomorrow we can, perhaps, arrive at a decision with respect to concluding the general debate, the time, of course, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself.

Mr. POWERS. Mr. Speaker, may I say to the gentleman from Pennsylvania I have now a number of requests for time, and I expect considerably more tomorrow. In view of this, could we not go on with general debate today and tomorrow and come to an understanding on Thursday as to just what we intend to do?

Mr. SNYDER of Pennsylvania. That will be agreeable to me, and I amend my request in that respect.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, and, pending that, asks unanimous consent that general debate continue during today and tomorrow, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and himself. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, the legislative appropriation bill, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield myself such time as may be necessary for me to complete my statement.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. SNYDER of Pennsylvania. Mr. Chairman and Members of the Committee of the Whole, the bill which is before you today is that making appropriations for the legislative branch. We feel that it makes adequate provisions for our activities up here, and, at the same time, we feel that it is a bill that has been prepared with due regard for the Public Treasury.

This is not a departmental measure. It is our own house-keeping, and while there are a few activities that are not strictly legislative in character, they have by custom been regarded as a part of the legislative establishment. This is particularly true of the Library of Congress, which has become a great national library, developed and fostered under the intimate direction of Congress. Also in this category is the Botanic Garden and some of the activities of the Government Printing Office. While these agencies fall in the general class of "legislative", they are not, strictly speaking, except in a limited way, an actual expense incident to the functioning of Congress.

The bill contains 103 appropriation items. In only one instance in that total number has there been an increase above the amount of the estimate for the item. That concerns a matter of service to the House, about which I will speak later. It is fair to state, however, that the Budget estimates for this bill do not pass the scrutiny or revision of the Executive as do departmental estimates. The law prohibits that, so the estimates we consider here are the estimates of the respective officials in charge of our activities in this branch of the Government.

The total carried by the bill before you is \$23,294,468. This sum is a net decrease under 1936 of \$640,092.73, and a decrease under the estimates of \$877,203.

The bill may be termed, except for two items, a strictly maintenance and operation measure. The only unusual items are the amount of \$2,225,000 for continuing construction of the Library Annex and \$210,000 for permanent improvements in connection with the power plant. With those eliminated, we have left a total of \$20,859,568.

Not all of this, however, can be regarded as truly the cost of Congress and the maintenance of our legislative buildings. If we deduct from this total the Library of Congress, that part of the Government Printing Office which is not concerned with printing and binding for Congress, and the

Botanic Garden, we have left the sum of \$16,242,387, which comes more nearly telling the story of the actual appropriation in this bill for the Congress than the amount of \$23,294,468, which is the grand total of the measure. When we visualize the maintenance of these fine buildings—the Capitol Building, the House Office Buildings, the Senate Office Building—and the fine park comprising more than 100 acres which surrounds them, and then realize that this amount of \$16,000,000 covers also the salaries and mileage of all Members and Senators, the pay of their secretaries and the committee employees, the telegraph and telephone, and other operating expenses, the vast amount of printing and binding incident to the business of the two Houses, I believe it can truthfully be said that \$16,000,000 is not an extravagant figure.

We have not changed the Senate. In accordance with our past practice, we have appropriated for Senate items either the Budget estimate or the amount of the current law, whichever was the lower figure, and left to the determination of that body any question involving any increases over the 1936 appropriations. Wherever there were decreases in Senate items coming as an estimate we have taken the decreased figure.

#### HOUSE OF REPRESENTATIVES

The total for the House is \$8,302,108, a net decrease of \$101,602 under 1936 and \$68,156 under the estimates.

We made a few increases, totaling \$45,566, which consist of the following: Two additional telephone operators, at \$1,560 each; six additional pages during the session, at a cost of \$724 each; to carry out House Resolution 313 of last session increasing the pay of certain employees, \$5,020; filing cases for Members' offices, \$2,250; reserve operating fund, House restaurant, \$15,000; telegraph and telephone, \$5,000; reporting committee hearings, \$5,000; folding speeches, \$6,000.

These increases, we feel, are thoroughly justified. The telephone switchboard is badly crowded and two additional positions need to be cut in, and the new operators are for that purpose. They are urgently asked by the chief operator, Mrs. Daly. We have prompt and efficient service, and we want to keep it so. The six pages were earnestly asked by the Doorkeeper. This is the only item in which we raised the estimates, as I mentioned earlier in my statement. The number of pages is the same as in the Fifty-sixth Congress, when there were about 100 less Members than we have now. Since that time the two office buildings have been constructed. The Doorkeeper says there are occasions now when the page benches are almost empty because of the boys being engaged in getting bills and documents and delivering them to the other buildings. He believes six more boys will help greatly to improve the service. They will be paid only when Congress is in session. We have also added small amounts to the telegraph and telephone items and one or two other miscellaneous appropriations where experience has demonstrated that existing appropriations are habitually insufficient.

We have added \$15,000 on account of the House restaurant at the solicitation of Chairman WARREN of the Committee on Accounts, who has charge of it. He appeared before the subcommittee and outlined to us some of his difficulties, and we felt that he should have this sort of a fund as a reserve against an operating deficit. For a time he was able to make ends meet down there. But since salaries have gone back to a 100-percent level, foodstuffs have gone up in price, the House is adjourning regularly from Friday to Monday, and it is impossible with the five meals a week to break even at all times. Mr. WARREN is doing a good job with that institution. We must have it for our convenience, and if there is a loss we must stand it. You cannot raise prices sufficiently to break even. If you do no one will eat there. I might say that prior to Mr. WARREN's time we customarily had a regular deficit, and I think we will always have one of some degree. Credit is due the chairman of the Committee on Accounts for handling a rather discouraging and sometimes unappreciated job very well. He has accepted his responsibility and is rendering a service to us as Members that we should perhaps more fully give him due credit for.

We have not allowed all the amounts that were asked by the officers of the House. We cut \$33,906 from their estimates.

There is a further reduction in the estimates of \$34,250 resulting from the decrease of the Resident Commissioners of the Philippine Islands from two to one and the transfer of the expenses of that one from the United States to the Philippine Government. That comes about as the result of the Philippine Independence Act and enabled us to eliminate the salary, mileage, stationery, and clerk-hire allowances for these two offices.

#### ARCHITECT OF THE CAPITOL

For all of the activities under the Architect's direction, we provide a total of \$4,202,924, a net decrease of \$344,738 under 1936, and a decrease under his estimates of \$375,057.

I will not weary you with the details of all the changes we have made in these appropriations, but several of them stand out and I shall mention those. There is an item of \$108,750 for replacement of electrical substation switching equipment. There are three of such substations—one in the Capitol Building, one in the Senate Office Building, and one in the old House Office Building. They have about the same equipment, and about the same amount is involved for the machinery for each. This equipment consists of motor-generator sets, circuit breakers, and controlling devices for converting the 6,600 volts, alternating current, to a safe working voltage for use about the various buildings for light and power. The machinery in use is the original installation and is more than 25 years old. We were advised that it is inadequate and hazardous and obsolete. In case of a break-down, spare parts have to be made to order. These stations are the keys to our light and power in these buildings. In case of a serious short circuit or break-down, the particular building involved would be up against it for light and for power for elevators until it could be put in service again. The chief electrical engineer strongly recommends the rehabilitation of these stations and relying on his judgment we have concurred in the recommendation.

A smaller item, but somewhat important, is \$25,000 for renovation of the sewer within the north side of the Capitol Grounds, extending from the Supreme Court Building on the east to the west boundary of the old grounds. This is a brick sewer, built sometime prior to 1875. It is sagging and out of shape. Several collapses have occurred in its walls and caused overflows of the Capitol Grounds.

At the Capitol power plant we have made provision for some roof repairs and also inserted an item of \$210,000 for improvements consisting of work at the intake and pump house at the Potomac River, additional pumping facilities and piping changes at the power plant, and additional water-supply connections. This change is primarily brought about by the installation of the air-conditioning system which will take place this summer in the Capitol and office buildings. The refrigerating machinery will be driven by steam and it will take 100,000 pounds of steam per hour for that. A tremendous amount of water will also be needed for the air-conditioning system. In addition to the necessity of caring for the air conditioning there is a shortage of water supply for the power plant. It is not possible to operate both of the large turbines at once because of the shortage of water. The power plant will shortly be called upon to service the new Library Annex and the new buildings at the Government Printing Office. While not all of the \$210,000 is required for the air conditioning, it does involve improvements needed for these new buildings I have mentioned, and the committee felt it good business to combine the two, inasmuch as they involve parallel operations in each case. While on the subject of the power plant, I would call attention to an item of \$200,000 for cinder-catching equipment to eliminate the soot and smoke nuisance. We did not allow that item.

Congress recently passed a new smoke law for the District of Columbia. I doubt if anyone knows whether it is applicable to Federal property. The Architect seemed to feel that he should make an effort to comply with it. There was some testimony of complaints from persons in that neighborhood of smoke and cinders in the summertime, but the subcom-



mittee was not convinced that the plant was a nuisance, and has eliminated the amount for the time being at least. The new smoke law here is not in full effect yet because the Commissioners have not made the regulations, but it will soon be in operation, and we may learn something about it later. If the plant constitutes a real nuisance to the neighborhood and is a menace to the citizens there we should make this installation, but it is a very costly proposition and should only be undertaken after most careful study.

Mr. BOLTON. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLTON. I simply want to ask the gentleman in connection with the smoke nuisance here whether he thinks the attitude of the committee in disallowing this item may prejudice any future action in favor of a proper smoke-control law in the city of Washington.

Mr. SNYDER of Pennsylvania. I may say, in answer to the question of the gentleman from Ohio, that this was looked upon by the subcommittee from every angle, and, inasmuch as we did not have any definite information as to whether this law applied to Government buildings or not, we did not feel justified in adding this additional \$200,000 at this time, or until we got something definite from the Commissioners having charge of the enforcement of this law.

Mr. BOLTON. I assume the gentleman is in favor of proper regulation of the smoke nuisance here.

Mr. SNYDER of Pennsylvania. I am, and I may say that your committee is in favor of that.

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LORD. I notice there is an item here for telephones and telegrams, which is some \$5,000 more than last year. On account of this session being, perhaps, a short one, I wondered why this item is increased over the amount carried last year. I would have presumed it would be decreased.

Mr. SNYDER of Pennsylvania. I shall ask the gentleman from California, a member of this subcommittee, Mr. Dockweiler, to answer that question.

Mr. DOCKWEILER. If I understood the gentleman's question correctly, it was why the telephone and telegraph item was not decreased rather than increased in this particular supply bill. I may say that during the last few years it appeared from the testimony before our committee that the use of telephone and telegraph services had increased to such an extent that we were really asked to supply more money than we did. I believe the amount requested was somewhat in excess of \$100,000, but we reduced it to \$95,000, which, of course, is an increase over last year of \$5,000.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This appropriation would be applicable to the next fiscal year and not this fiscal year, and therefore the gentleman's point is not well taken.

Mr. LORD. Last year, Mr. Chairman, as I read the bill, we only needed \$90,000, and we are increasing this for the next year. Why not practice a little economy? Where is the money coming from?

Mr. TABER. Mr. Chairman, if the gentleman will permit, as I understand it there was \$105,000 appropriated for last year, including the deficiency, but only \$92,000 was spent. In view of the fact we had a long session last year and the probabilities are the session will be 4 or 5 months shorter this year, and we will not have a summer session, I notice the papers are commenting on our increasing this amount, and I am wondering if it would not be better if we could cut this down to \$90,000, the amount that was provided last year.

Mr. SNYDER of Pennsylvania. I will say to my friend from New York that we took that under advisement.

The Library Annex comes in this bill for the first time and we provide \$2,225,000 for continuing construction. Under authority of an act approved June 6, 1935, the contract for the superstructure was entered into on June 12, 1935, at a cost of \$6,269,400. There is nothing we can do but appropriate the money to make the progress payments under that contract. The entire cost of the building, including furnish-

ings and equipment, is \$9,366,400, of which \$2,975,000 has heretofore been made available. The total cost of the building and site is estimated at \$10,284,141.94.

Mr. BOLAND. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLAND. The gentleman from New York asked a question in relation to raising the item for telegraph and telephone and said that the committee would take it under advisement. Did not the committee consider that question when they were considering the bill?

Mr. SNYDER of Pennsylvania. Yes; otherwise we would not have put the item in.

Mr. BOLAND. It seems to me that answers the question of the gentleman from New York.

Mr. SNYDER of Pennsylvania. I might say to the gentleman from Pennsylvania that I thought that perhaps the gentleman from New York had some additional information that he could present to the committee, and the committee is always open-minded.

Mr. BOLAND. I understood the gentleman to intimate that it might be taken up in the committee.

Mr. TABER. No; I brought the matter up because I thought it ought to be considered when we reached that item in the bill. I had no idea of its being changed until we reached the consideration of the bill.

Mr. LUDLOW. Will the gentleman yield to me?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This telephone and telegraph item last year had an appropriation of \$105,000. We are going to have a deficiency in 1936. It was on the basis of these facts that the amount was fixed for the next fiscal year, provision being made in the face of past experience. The amount which we have allowed is not too large, and there is some question whether it is large enough.

Mr. SNYDER of Pennsylvania. I may say, in addition to what my colleague from Indiana has said, that if I recollect correctly the Architect asked for \$115,000.

Mr. TABER. The expenditure last year was \$92,000, and there was a balance left over of \$13,000.

Mr. LUDLOW. That was only a part of it. There were a lot of bills left over that were not included, so that that does not express the whole expenditure. These bills are very slow about coming in. They come from all over the country, and there are a lot of unpaid obligations that are not included in the statement the gentleman has.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman.

Mr. DOCKWEILER. The Budget estimate was \$115,000, and we only allowed \$95,000 in this bill.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I would call your attention also to two items under the Architect which we did not allow. A request was presented for \$64,000 to install two additional elevators at the east entrance to the Senate wing. We did not approve it. There are four elevators in the Senate wing, of which two are especially set aside for use of Senators, leaving only two for the public and employees. There are four elevators in the House wing. With a larger membership and a larger gallery capacity than the Senate, the House gets along very well with four. I think the Members have only one elevator set aside exclusively for their use, and they share that with the press. This would be a very expensive installation. In my judgment it would disfigure somewhat the Senate wing and require an immense amount of expensive cutting through solid stone, as well as to require redecorating. The subcommittee did not see any justification for it.

Another item we eliminated is \$22,200 for new shelving of steel design and other modernization in the library under the space formerly occupied by the Supreme Court. Some of us felt that there was not enough use made of that library by Members and Senators to justify its continuance now that the Court has moved away. It is used largely by members of the District of Columbia bar and students, but they do not justify its continuance. We have asked to have a check made of its patronage and in the meantime have stricken out this item for these improvements. We have a

small library here on the floor, there is a library in the House Office Building, there is a library for the Senate on the Senate side, there is this law library, there is one in the Library of Congress, and one in the new Supreme Court Building. We should determine the future of this library before making these improvements costing \$22,000.

I will not enter into all of the details of the changes in the Architect's Department. We have added some mechanics to operate the new air-conditioning system, we have provided for necessary structural repairs in the various buildings, and taken care of the maintenance of the grounds. We did eliminate some requests of the Architect, among them salary increases totaling \$14,280. In no instance have we left out any item essential to the proper upkeep of the property or to its efficient functioning.

#### LIBRARY OF CONGRESS

The Library of Congress is a growing institution. It had added to it last year, by purchase of material and by the additions that come through copyright deposits, an increase of 187,000 printed books and pamphlets. In addition, it secured nearly 18,000 more maps and views, 15,000 volumes or pieces of music, and over 6,000 prints. The contents of the Library on June 30 last consisted of nearly 5,000,000 printed books and pamphlets, 1,337,000 maps and views, 1,131,000 pieces or volumes of music, and 534,000 prints.

We have carried in this bill, aside from the mechanical operation of the building, a total of \$2,509,025, which is a net increase of \$10,134.45 over 1936 and \$183,680 less than the estimates. The net increase of \$10,134 over 1936 really provides a larger increase. There were in 1936 nonrecurring items amounting to \$50,500, so that in reality we have granted the Library for 1937 increases amounting to \$60,634.45. The Librarian presented a request for 41 new positions with salaries aggregating \$66,900. These the committee did not allow.

We did allow money to cover the reallocation of positions under the grades of the Classification Act. That is a mandatory claim upon us under the Comptroller's decisions, and, while we feel that it should be soon completed, we did not feel that we could deny what has been done pursuant to law.

One matter of especial interest should be called to your attention. Last session the committee placed an item of \$10,000 in the bill to give a weekly digest to Members and Senators of general public bills. That publication is now coming to your offices. I believe it only started the last week in January or the first week in February. We ask you to make a check of its use in your office, so that next session you can advise us candidly whether it is of value. It was put in last session at the request of a number of Members who felt a need for some such service. The committee felt that the time for a trial was too short to determine its value, and the Librarian advised that \$10,000 was not enough, so we have increased the amount to \$15,000. Next session we will ask you for your sincere expression of opinion upon its continuance.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. LAMBETH. The gentleman just referred to a digest of public bills, which is very interesting. I do not recall having seen such a publication.

Mr. SNYDER of Pennsylvania. This was authorized last year. It was supposed to have started the first of this year. The first issue did not come out until about 6 weeks ago.

Mr. LAMBETH. Are we supposed to receive it in our offices?

Mr. SNYDER of Pennsylvania. Yes; the gentleman should receive it in his office.

Mr. LAMBETH. I thank the gentleman for his courtesy and patience. I just want to say that the gentleman's discussion of the matter interested me greatly, because I can see that such a publication would be of immense value to the Members. We are busy here with many duties, and to have such a service available would undoubtedly be helpful. I was prompted to rise because the gentleman stated the publication is now being issued and distributed to Members, though I have not seen it.

Mr. SNYDER of Pennsylvania. If my information is correct, six issues have gone out and they must have reached the gentleman's office.

Mr. LAMBETH. What is the exact title of it?

Mr. LUDLOW. If I may be permitted, the exact title is Digest of Public General Bills With Index.

Mr. SNYDER of Pennsylvania. Its color is just about like our calendars; and as it comes to the gentleman's office, I suppose his secretary might have mixed it up with something else and has not called it to his attention. As chairman of the committee I shall write to each of the secretaries of the Members and tell them to call it to the attention of the Members.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. BOLTON. Only to comment on the remarks of the gentleman from North Carolina [Mr. LAMBETH]. Like him, I am interested in this; but I am wondering if the distribution of it has been confined to gentlemen of the majority side of the aisle. I have never received any to my knowledge.

Mr. SNYDER of Pennsylvania. I can say to the gentleman that at least six copies must have come to his office in the last 6 weeks. It is nonpartisan.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. COSTELLO. I believe the sixth number of that Digest arrived in the office this morning.

Mr. SNYDER of Pennsylvania. Mr. Chairman, an increase of \$40,000 was asked for law books for the Supreme Court law library. We have been providing \$50,000 a year for several years past. Last year we raised it to \$90,000 to buy additional books for the new library in the Supreme Court Building. The additional \$40,000 was sought again this year as a permanent addition to the law-book purchase fund. The subcommittee understood it as a nonrecurring item and has denied the increase. We believe that \$50,000 for law books is a generous sum when compared to the \$115,000 which is provided for the purchase of all books other than law. If we should increase the permanent law-book fund to \$90,000 we should in fairness raise the amount for other book purchases by a proportionate amount, and this we feel is neither necessary nor desirable, considering the congested condition of the present building.

An increase of \$25,000 is carried for printing catalog cards for sale to other libraries. This service is not self-sustaining, but it is a revenue producer of some \$210,000 a year and provides a very valuable service to the libraries generally throughout the United States, in that it furnishes them the cataloging of a book for a cent and a half which would cost them a great deal more to perform otherwise.

#### GOVERNMENT PRINTING OFFICE

The appropriations for the Government Printing Office are unchanged except in one particular. At its last session Congress provided for the issuance and printing of a Federal register in which should be published daily for 5 days a week all Executive orders and regulations having the force of law and of general application. The publication of the Register was delayed due to the failure of the appropriation last session in the bill which was filibustered to death. It is scheduled to start this month under an appropriation made at this session. There was requested in this bill \$300,000 for that purpose for the next fiscal year. We ascertained that \$225,000 of that amount was for publishing the current Register and \$75,000 for printing and binding in volumes the past accumulations—that is, orders and regulations in effect at the time the Daily Register is first issued. The appropriation for the present year was cut down by the committee from \$295,000 to \$100,000 so as to eliminate the publication of these accumulations, and your subcommittee has acted accordingly. We feel that before a vast amount of accumulated material is printed we should have a definite knowledge of how valuable it is, what it will cost to publish, and then determine whether we want to make that appropriation. So we cut out the \$75,000. We also did another thing. Some of



us feel that this publication may not be as valuable as its sponsors thought it would be. Consequently we have provided only \$150,000 to carry it on until March 1, 1937. That will cover 8 months. We will have had nearly a year's opportunity to find out what use it is. If it is as valuable as it was supposed to be, the Congress will be in session and we can appropriate to continue it. If we feel that it is not valuable, it will perish for lack of funds.

I have given you the important items and perhaps too much of detail. There are many minor items I have not touched on, but the report on the bill is replete with those details and the hearings are explanatory. If there are any questions, I shall be glad to answer them and I thank you for being so considerate of this presentation. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, war clouds are again hovering over the world. The nations of Europe are engaged in a feverish competition to determine which one can build up the most formidable and efficient war machine in the quickest possible time. Billions of dollars are being spent for this purpose and the productive genius of these unhappy people is being diverted from peaceful pursuits to the turbulent channels of war. Stern and autocratic dictators have seized the reins of power in many countries, and they are driving their unfortunate subjects nearer and nearer to the precipice of destruction and the whirlpool of blood. The smoldering embers of hate left by the last war are being fanned into the consuming flames of another world-wide conflagration, compared with which all previous wars will take on the appearances of a sham battle.

The nations who refused to pay the honest debt they owe us experience no difficulty in raising billions for military purposes. Even children of tender age are snatched from the schoolroom and subjected to rigorous military training. Women who furnish civilization with its humanizing and sobering influences are taught the uses of steel. The tender notes of the lullaby are transformed into the battle cry of hate and death. Once again Europe is separating into two armed camps. On one side may be Germany, Italy, Japan, and Austria-Hungary. On the other will be England, France, and Russia.

Where will America be? This is the most important question that confronts us. Upon its determination will depend the welfare and happiness of every American, and even the generations unborn. It is possible that the answer to this question will determine the continuation of free government in America. The answer of profit-seeking interests, meddling internationalists, and alien-minded groups will be war. To the predatory interests war holds out its filthy promise of enormous profits, gained at the expense of orphaned children, forlorn widows, and maimed soldiers. To the internationalists it presents the lure of meddling with the affairs of Europe. To the alien-minded groups it affords an opportunity to promote foreign interests, to the detriment of America and to gratify prejudices and hates imported from native lands.

But the answer of every patriotic American should be strict neutrality. The cry of the selfish may be war, but let the slogan of every citizen be "Keep America out of Europe and Europe out of America." With such a policy firmly fixed upon our statute books and in the administration of our foreign affairs, we can be assured of honorable peace and normal prosperity for ourselves and our children.

No other nation has more reason to maintain neutrality than America. The horrible ravages of the last war have left their indelible imprint upon the very soul of America. We are still staggering under the crushing burdens of war debts. Many of our veterans still drag their broken bodies through a world made desolate for them. There are still widows and orphans who grieve for the hero who never came back. The war threw out of gear our whole economic machinery and we have not been able to make it function properly since then. It created an artificial and temporary

demand for the products of our farms and factories. To supply this demand we expanded our productive capacity to the highest point ever attained. Land that was intended for grazing was planted to wheat or cotton. The scarcity of labor accelerated the invention and use of labor-saving devices. Mass production was substituted for the more orderly and dependable methods of former days. Young men were lured from farm to factory. The whole credit and financial structure was blown up like a balloon. Wild speculation took the place of sound investment. Conservative values were succeeded by fictitious appraisals. Aliens were imported by the thousands to furnish cheap pauper work for farm and factory.

Then came the crash with its dire consequences—bankruptcy, unemployment, hunger, debt, and despair.

It would seem that in view of this experience everyone in America could unite upon the principle and policy of strict neutrality, except where it is necessary to defend ourselves. But it is becoming evident every day that this is too much to be hoped for even from a people who paid the terrific price that America did. At this very moment there are powerful groups and blocs and interests who oppose real neutrality and who apparently want us to involve our Nation in the next war.

God forbid that their sinister influence shall prevail. One more foreign war will shake this Republic to its very foundation and put into jeopardy the liberty and freedom which we justly prize and which other countries have permitted to be stifled under the mailed fist and iron heel of militarism.

Mr. Chairman, I do not preach a doctrine of complete isolation. I am anxious for us to be a good neighbor to all nations and all peoples. I would cooperate with them in any sane plan to curtail armaments and maintain peace on earth, and I would cultivate the good will and friendship of every nation. But under no circumstances would I permit my country to become enmeshed in foreign entanglements. You can do business with a customer without involving yourself in his family or political disputes. The greatest contribution we can make to the peace and happiness of the world is to stay on our own shores, mind our own business, and work out our own salvation. It will not profit the cause of peace and freedom for us to follow the tragic example of Germany and Japan. Let us keep the torch of freedom and peace burning on the western shores so that the battle-scarred and unhappy children of men may see and take heart. One by one the nations of the earth are losing their liberty and reverting to medieval tyranny. In nearly every instance war was their downfall. Let us heed this tragic experience and avoid the path that leads to certain death and destruction.

We are separated by thousands of miles of ocean and natural barriers from Europe and Asia. God has been good to us. He gave us expansive prairies, mighty lakes, woodland stretches, fertile soils, and inexhaustible resources. There is no reason for us to wage a foreign war.

Mr. Chairman, I regard the neutrality bill that we passed in the previous session and continued this session as one of the greatest steps ever taken in the direction of American peace. Let us strengthen this measure from time to time and, more important still, let us crystallize public sentiment in favor of its proper administration. This bill prohibits the shipment of arms and ammunitions to belligerent countries. It declares our firm policy of remaining neutral. American interests who invest money abroad or who travel in war zones do so at their own peril. In the next war we have provided a method whereby wealth will be conscripted the same as man power. All alike will be required to serve unselfishly and without profit.

#### KEEP EUROPE OUT OF AMERICA

Not only must we keep America out of Europe, but we must keep Europe out of America. The very fact that one-third of our population is of foreign stock and that we have 16,500,000 foreign-born people in our midst and about 8,000,000 aliens proves that we have failed to do this in the past. The most acute problem that confronts us and the one which baffles every legislative attempt and administrative measure is unemployment. In spite of the 52-percent

increase in farm income and the 300-percent increase in the earnings of 166 great corporations, unemployment is still with us. The latest figures estimate that more than 12,000,000 men are out of work in spite of the billions of dollars that have been spent to furnish employment. The plain truth is, Mr. Chairman, that we imported unemployment from foreign countries. Since the World War more aliens entered this country than we have unemployed today. So long as our economic machinery was geared up to the highest peak ever known this imported labor could be employed without displacing American labor. But when the balloon exploded we were left with our imported unemployment problem.

I have shown, Mr. Chairman, in numerous newspaper articles that I have written for some of the great newspapers of this country that our unemployment was caused largely by immigration. My purpose in showing this was not to arouse hatred against our foreign-born people, nor to subject them to any character of persecution. It was natural for them to come to the United States where they could secure freedom and a higher standard of living. But I do condemn the policy and law which permitted them to enter, and I have pointed out in detail the serious results of immigration in an attempt to persuade the Congress to adopt a firm and permanent policy that will prevent this in the future.

There are today 50 percent more persons out of work in the United States than in all Europe. In Europe unemployment shrank by 8,000,000 last year. While we have given haven to 8,000,000 aliens—given them jobs or supported them on relief—8,000,000 employable Americans are jobless. In a remarkable degree it appears that European nations have recovered and brought about reemployment in proportion as we have taken over their surplus population. Figures from the International Labor Office in Geneva covering the year 1934 show:

Germany reduced unemployment by 671,897 that year, and she has sent us 665,000 immigrants since the armistice.

England put 188,614 back at work that year—171,801 of her citizens had come here since the war.

Italy's relief-rolls reduction was 238,235, and of her crowded population 250,000 came to our shores in a decade.

Is it any wonder, therefore, that we have 1,500,000 aliens on public and private relief and that approximately 6,000,000 aliens are holding jobs that would be filled by our own citizens if these aliens had not been imported to America?

By aliens, let me make it clear that I am speaking of unnaturalized foreign-born people in the United States.

Since I have been in Congress I have done everything in my power to stop the importation of foreign labor and to deport undesirable aliens. That the campaign I have vigorously waged has been successful insofar as legal entries are concerned can be proved by the immigration statistics. Before I came to Congress immigrants were entering this country legally at the rate of about 400,000 a year for the 10-year period prior to 1931. Since 1931, due to our insistence that the consuls reject all applicants who were likely to become public charges, legal entries have been reduced to a few thousand each year. Of course, this does not take into account the illegal entries who have continued to enter in large numbers, but it does show that substantial progress has been made. In addition to this, the record will show that I led the fight in opposition to the Dickstein bill, which would have virtually destroyed our immigration and deportation laws. We defeated this bill on the floor of the House and defeated similar measures which would have greatly weakened our present restriction.

Due to the strong opposition of powerful groups, I have not yet been able to get a vote on the Dies bill, H. R. 5921. The Immigration Committee refused to report this bill. After vainly attempting for several years to get the committee to report this bill and afford the House an opportunity to vote upon it, I was compelled to resort to the only other parliamentary method available to secure consideration of a bill. I filed a petition with the Speaker asking for the discharge of the Immigration Committee from further consideration of this bill and an immediate vote. Of course, under the rules of the House, 218 Mem-

bers have to sign this petition before the bill will come to a vote. In view of the strong opposition to my bill, it is very difficult to get 218 Members to sign it, but nearly a hundred have signed it, and eventually public sentiment is going to demand that this bill be acted upon by Congress.

The Dies bill will accomplish the following results:

First. Put the Western Hemisphere upon a quota basis the same as European countries. At present there is no numerical restriction insofar as the entrance of people from Mexico, Canada, South America, and Central America are concerned. There are millions of people living in these countries, and in the future millions of them will come to the United States unless we prohibit their entrance.

Second. The Dies bill will reduce all quotas 60 percent.

Third. Seventy-five percent of the remaining 40 percent will be required to be used to reunite families.

Fourth. Criminal aliens such as dope peddlers, gangsters, racketeers, and the like will be promptly deported.

Fifth. All aliens who fail to make a bona-fide effort to become American citizens within a reasonable time will be deported.

Sixth. The bill will practically solve illegal entries in the future.

Unless this bill is enacted into law millions of aliens will enter the United States in the next decade or so. This will mean that it will be impossible for us to solve the unemployment and relief problem. It will mean that American labor will continue to be displaced by foreign workers. It will mean that the big plantation and corporation farms will be able to cultivate thousands of acres with cheap pauper labor and thereby increase crop surpluses.

The Dies bill will not hurt any naturalized foreigner or any law-abiding alien who wants to become an American citizen. It will help these people just the same as it will the native-born Americans.

Practically every other nation has closed their doors to foreign immigration. In countries like Germany, France, Italy, Netherlands, Mexico, and so forth, no employer of labor can hire an alien until he can show the government that he cannot get a native citizen to fill the job. These other countries will not permit American citizens to hold jobs within their borders.

Few people realize that there are now some 2,500,000 aliens—mostly Mexicans—in our Southwest. Largely because of this about an equal number of American citizens are on relief there. Mexicans will work for less; every Mexican alien at work within our borders means an unemployed citizen. Fifteen million dollars a month is the relief bill for Texas, Arizona, New Mexico, and California. What a subsidy to pay in order that Mexicans may earn American dollars to send back home while tax burdens force American homes under the hammer and our citizens are forced into the bread lines.

#### KEEP EUROPEAN SYSTEMS OF GOVERNMENT OUT OF AMERICA

Not only must we keep Europe out of America in the form of cheap pauper labor, but we must prevent European ideas of government from succeeding in this country. In such countries as Germany, Italy, and Russia liberty is unknown. The citizen has no rights which cannot be taken away from him by a dictator. He can be arrested and thrown in jail without a warrant or legal cause. He can be tried without a jury. He is no more than a chattel in the hands of autocratic rulers. According to the European system of government, everything is for the state, nothing outside the state, and nothing against the state. Neither life nor liberty is safe in these countries.

There are groups and blocs in this country who would like to establish the European idea of government in America. There are those who would like a communistic form of government, while others want dictatorship. These ideas are all un-American and we must resist them to the limit of our power.

Mr. Chairman, in conclusion, permit me to say that while I do not profess the gift of prophecy, I am sure that if we will keep America out of Europe and Europe out of America, it will not be long until prosperity and happiness are restored in the United States. If we do not follow this wise



policy I can foresee nothing but misery and disaster for our beloved country. It is not Providence that is responsible for our woes. God has lavished upon this country the bounties and riches of nature. He has given us more than any other country on earth possesses. If we do not make a success of governing ourselves in a peaceful and prosperous manner it will be our own fault. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, for several months the spokesmen for the New Deal, both in and out of Congress, have been on the defensive. The confident assertion that "we are on our way" which characterized the first year or two of the present administration is no longer heard. In its place we hear almost every day an attempted explanation of some New Deal misconduct which has been pointed out to and grasped by a people who are tiring rapidly of broken promises and a search for Utopias which do not exist.

Attacks on the New Deal by Democrats of unquestioned standing, experience, and judgment have done much to put this administration on the defensive. Criticism from Republicans is expected and more easily discounted. Criticism from outstanding Democrats is nothing short of devastating and utterly unanswerable.

The familiar defensive cry, "How would you like to go back to 1932?" will not turn the trick. It is not a question of going back, because our people know that natural forces for recovery are strong, and that, given 3 or 4 years, some recovery would inevitably occur, particularly after the Supreme Court reestablished constitutional rights and guarantees.

The social experimentations and reckless extravagance of the New Deal are on the way out because the common sense of the people is reasserting itself. They are not asking, "Has there been any recovery?" They are asking, "Are we as far along on the road to recovery as we should be or would have been but for the un-American fallacies of the New Deal?" To the latter question an increasing majority is answering "No", and therein lies the reason for the very obvious nervousness of New Dealers when they contemplate next November. They read the figures on increasing unemployment, reflect on the billions uselessly spent to prime the pump, plead guilty to an unprecedented growth of spoils and bureaucracy, and tremble in their boots at the increasing wrath of an overburdened and disillusioned people.

In a tremendous effort to regain lost confidence on at least one front, the New Dealers, headed by the President himself, are now loudly proclaiming their belief in and support of the merit system in Federal appointments. What a travesty! Hypocrisy is a hard word, but what else fits when we consider that this administration has done more to tear up the merit system and apply the spoils system than any administration the country has ever seen? Is it possible that the defendant, after being tried and found guilty at the bar of public opinion, charged with the greatest raid of Federal jobs in our country's history, has finally decided to "go straight"?

Human experience has proved that the motives back of hasty reformations must be examined if we are to know whether the reformation is sincere, or just another promise. In the close personal intimacy so often displayed among those high in our Government, do you suppose that someone might have said, "Jim, that idea of putting the faithful in every possible job seemed like a good idea at the time. Why, it looked like the best way in the world to perpetuate ourselves in office. But a terrific kick-back is developing. The people do not seem to like it. They are afraid that it is wasteful and inefficient. And to make matters worse, one of the great nonpartisan women's organizations is starting a national campaign for the merit system which is arousing a lot of comment. Can it be possible that the declaration of our great predecessor, Jackson, about the spoils going to the victors has been overplayed?"

And do you suppose that Jim might have answered, "Now, now, do not be disturbed. There is plenty of time left. We now have, or will have in the next few months, good New Dealers in all of the post offices. And we have given hundreds of thousands of jobs to the faithful in the many

branches of government. We will now come out strong for the merit system, telling everybody that we are for it. We can just blanket all of these appointees into civil service, giving them jobs for life. That, of course, will prove that we are for the merit system and will take the fire out of that attack."

Now, that conversation might have taken place. All of this might be good strategy and might work, except that our people are waking up. My guess is that they will conclude that the promisor is at it again, and will not be taken in any last-minute reformation which is so obviously a sham.

While this seems to be an effort on the part of the New Deal spoilsmen to manifest good faith, not only to the people of the country but to the civil-service employees as well, the reason back of this effort is as clear as crystal. There is a catch in it. The new-found devotion of Mr. Roosevelt and Mr. Farley to the merit system is the basest sort of strategy. It is intended solely to give permanency to the quarter of a million political henchmen this administration has put into office. That and that alone tells the real story back of the sudden disposition of the New Deal to try to convince the public that at long last it intends to keep one of the promises made when it was seeking office. [Applause.]

The recently expressed desire on the part of the administration to put the postmasters under civil service is perhaps the biggest part of the fraud the administration is attempting to perpetrate upon the public. As a matter of fact, the seeming conversion of the President to this idea was effected soon after he became President. He then directed his Postmaster General and chief spoilsman, Mr. Farley, to draw up a bill for Congress for that purpose. But Mr. Farley was more than one of Mr. Roosevelt's Cabinet officers. He also was, and still is, chairman of the Democratic National Committee. Therefore Mr. Farley was not particularly anxious to go along with his President—at that time. The reason is obvious. When Mr. Roosevelt first suggested this rather drastic step for the New Deal there still were a number of Republican postmasters. Mr. Farley soon remedied this. He put in their place New Dealers who would go along with the Roosevelt administration. While these substitutions were being made, and in face of the fact that one of his official family defied, or at least publicly ignored, his instructions, the President, so far as is known to the public, never once took Mr. Farley to task for his declination to move on the President's instructions.

Time passed. Republican postmasters disappeared. New Dealers took their place. And now that the first, second, and third postmasterships are occupied mostly by gentlemen of Mr. Farley's picking, Mr. Roosevelt once more makes a gesture to the American people. That gesture is designed to convince them that he is against the spoils system, of which since March 4, 1933, he has been the chief advocate. It is notable that this new advocacy did not come until Mr. Farley had filled the offices with deserving New Dealers. It is equally notable that in putting the postmasterships under civil service at this time Mr. Roosevelt and Mr. Farley would thereby perpetuate in office the henchmen of their own picking not for a day, nor for an administration's term of office, but for life.

In an effort to regain lost prestige, the President, in a message to the National League of Women Voters, which was also read over the radio, said that he was not only glad to assure the organization of his support in its effort to eliminate the spoils system in government but that "there can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system."

A comparison of this statement with the record of this administration's violation of the merit system challenges the sincerity of the statement. In the words of Candidate Roosevelt himself:

Remember well that attitude and method—the way we do things, not the way we say things—is the measure of our sincerity.

The civil-service laws went on the statute books in 1883. Their greatest violators since have been New Dealers who rode into office under the masquerade of being Democrats. In building up the greatest bureaucracy of all time and thus

harassing the already overburdened taxpayers with hundreds of millions more to pay in taxes, Mr. Roosevelt and his spoils-men at the start of the current year had 815,789 Federal employees listed. This vast army of workers did not include employees in the legislative or judicial branches. An untold number of temporary Government employees were not included, nor were persons in the Army or the Navy, the District of Columbia government, the near half a million enrolled in the C. C. C., and other numbers of those who are employed by the Federal Government.

Out of this number there were but 611,397 subject to civil-service rules. There were 204,392 not subject to the Civil Service Act and its rules. And the figures of the Civil Service Commission show that from June 30, 1933, to December 31, 1935, the New Deal spoils-men added 252,312 employees. These did not all go to the emergency organizations set up by Mr. Roosevelt. The regular organizations of Government were infiltrated by these New Deal henchmen. Up to last month 44,000 employees had been added to the regular establishments of Government, and the Federal pay roll had been increased 46 percent. In addition, since he has been President, Mr. Roosevelt has increased the Federal pay roll \$542,000,000, and the taxpayers are now paying a billion and a half dollars a year to keep this New Deal, top-heavy Government going.

Apparently, in another effort to delude the public, there recently has been a tremendous shifting of employees from one bureau to another. Evidently there has been considerable manipulation in this process of shifting employees in order to make it appear that there has been a big decrease in numbers employed. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, our policy to aid the farmer is somewhat confusing, and the more one studies it the firmer becomes the conviction that we are defeating our own ends. Mr. Wallace takes millions of acres out of production and curtails as much as possible the yields from our fields, while Mr. Ickes, on the other hand, encourages large projects with Public Works money to put more land into cultivation and increase production, and Mr. Hull complicates and confuses the issue by reducing the tariffs so that foreign commodities may be shipped in and sold at a lower rate.

To those of us who are accustomed to thinking in simple terms these policies appear contradictory, nor can they be reconciled. The late lamented Agricultural Adjustment Act was based on two broad policies: (a) Destruction of so-called excess; (b) taking of acreage out of production.

The theory of this policy of destruction of so-called surplus crops was this: That inasmuch as millions of our people were hungry, the way to relieve that hunger was to destroy food; millions of our people being poorly and thinly clad, the way to remedy the defect was to destroy crops from which clothing was made. As a result large quantities of food were taken off the market.

The theory of destruction of wealth was supplemented by the further policy of taking agricultural acreage out of production. It has been said that under this policy 50,000,000 acres of land were taken out of production in 1935. As a result various foreign countries promptly stepped in and raised crops to take the place of those barren acres which we have withdrawn from production. When the Supreme Court of the United States declared the Agricultural Adjustment Act unconstitutional, we rushed to the rescue with another so-called Farm Aid Act, which, it has been said, will take twenty-five to thirty million acres out of production for the year 1936. We hope to supplement this withdrawal of acreage by providing Government funds with which to purchase surplus stocks and thereby stabilize the price of our respective commodities; and in order that this fund might not lay idle, and so as to insure its complete success, we provided through so-called reciprocal-trade agreements that foreign countries might ship in their agricultural products at a lower tariff rate.

The theory of this economic philosophy was that we could purchase our own excess of cream, butter, cheese, and so forth, and thereby make it possible for chain stores and

food speculators to buy cheaper goods from abroad and make larger profits.

We also decided that certain lands were not suitable for cultivation. These were known as submarginal lands, and in order to further aid our policy we decided to purchase millions of acres of submarginal lands and move the farmers from those lands to more fertile fields. We even transplanted some of these families to Alaska.

Well, that theory seemed to have been a good plan, and when we had it operating and well in hand we decided that it would be a good idea to hunt out some sterile lands and make them bloom like the rose. So we looked around for some places where there were not any people, at least not many, because we did not want to be too close to a good market, and start a reclamation project, and shortly there will be a bill before us making appropriations for the Interior Department for the year 1937; and when you review the report of the committee you will be surprised to find the amount of the bill as passed by the House was \$81,221,330, and there has been added by the Senate \$62,717,427, making the total amount of the bill as reported to the Senate \$143,938,757, or approximately an appropriation bill for 1937 of \$144,000,000. Even to a Member of Congress this looks like a lot of money, but no doubt it will serve a useful purpose. It will supply drinking water and a place to bathe to the horned toad and the desert rat, and possibly at the next session we can vote an appropriation for a scientific investigation to look into the habits and customs of these two inhabitants of the desert and to see how they care for their young.

No doubt this will permit the increase of a million or two acres of irrigated lands for productive excess, and after we have spent the money to reclaim this acreage we can then include these new-found acres under our present farm-aid plan and invoke the theory of soil erosion and give benefit payments to those who live on these acres if they will plant them to grasses and legumes and let other things alone. It forms an interesting cycle that may be quite a puzzle to an inquiring mind, but nevertheless is very interesting.

I have been interested to read an Associated dispatch out of Chicago recently which quoted Secretary Wallace as saying that the removal of approximately 30,000,000 acres would still leave ample acreage in the United States at average yields to provide the Nation a supply of food and fiber equal to domestic consumption for the 1920-29 period. These 30,000,000 acres so retired are to be devoted to legumes and similar crops. The dispatch added that problems still to be worked out included, "How to apply the plan in dairy States, like Wisconsin, where a high percentage of the land already is in grass and legumes."

It was stated here recently on the floor that the reciprocal trade agreement with Canada did not affect our State, but that we had a considerable increase in the value of farm commodities, particularly butter. So I wrote to my friend, Prof. J. L. Sammis, of the department of dairy industry of the College of Agriculture, University of Wisconsin, referring the matter to him. He said:

There can be no question but that the price of cheese went down 2 cents, causing \$6,500,000 loss to the cheese industry, particularly to Wisconsin farmers, as a result of the Canadian treaty. It is claimed by proponents of the treaty that there was, as a result of the treaty, a rise in the price of butter which offset the loss on cheese, and gave a net profit to the United States. The real causes of the rise in butter price were low stocks of butter in storage; second, low production of butter, since more milk has been going into cheese lately; and third, the complete blocking of transportation by the present winter snows, which prevented the normal shipment of butter to market from all dairy States, which further reduced market stocks, and could not fail to raise butter prices.

I also wish to call your attention to the statement of Agricultural Commissioner J. D. Beck, of Wisconsin, who for many years was a Member of this body. He says in regard to the Canadian cheese tariff:

The price of cheese dropped on the 1st of January this year exactly that the amount of the duty on that article was reduced.

Cheese dealers tell us that the recent price drop was because cheese was not moving. If that was true, then the farmers want to know why three of the leading buyers of cheese in this country rushed off to Canada nearly a month before this treaty went into



effect and bought the available supply of cheese from that country to be shipped in immediately after this treaty became effective.

These are some of the things which economists should explain to the farmers of the State while they are telling those farmers that the importation of cheese will not depress the price. The farmers know the price was depressed and they are asking why.

[Applause.]

It has been rumored on Capitol Hill that there will be some slight sop thrown to the dairy farmer by the way of small benefit payments for 5 acres planted to grass or legumes.

Of course, this does not meet the larger problem of the importation of cheaper dairy products from abroad or the problem of millions of additional acreage of pasturage taken out of cotton, wheat, corn, and so forth, which will be devoted to feeding dairy cows, nor to the problem of the competition of oleomargarine and other cheap butter substitutes. The dairy farmer surely is intelligent enough not to be fooled by any such pitiful pittance. What he wants, first, last, and all the time, is his home market to be preserved for his home product and he has a right to be protected from the cheaper competition brought in from abroad. Only a few years ago the United States Tariff Commission found that New Zealand dairymen and creameries could turn out butter at 18 cents a pound under the average cost in the United States.

Mr. Charles W. Holman, secretary of the National Co-operative Milk Producers Federation, has just recently issued a pamphlet entitled "Present Day Problems of Dairy Farmers." In that pamphlet, Mr. Holman points out, on page 13, the following facts:

The proponents of the Canadian agreement argued that the imports of cream represent less than one-tenth of 1 percent of our total annual production and only eight-tenths of 1 percent of the production of the North Atlantic States. They do not point out, however, that this cream will come largely into the Boston and New York markets where figures show that for 6 months out of every year it is profitable to bring in Canadian cream. If all of this cream is brought into the Boston and New York markets it will represent considerably above the percentages used by the defenders of the Canadian agreement and will have a tremendous downward effect on the cream prices in these two markets, with a resultant effect on middle western as well as eastern cream producers.

Whether or not the 1,500,000 gallons of cream pour over the border each year, the result to dairy farmers will be the same. Either the domestic-price structure will be broken down to a figure that keeps it out, or the butterfat in the cream will come in to displace an equivalent amount of western and southern cream now being sold in eastern markets.

In this connection it is interesting to study the effect of these imports upon cream producers of the Middle Western and Southern States. It is reasonable to assume that the cream produced in the eastern area will continue to be used in those markets even though the Canadian agreement tears down the price structure. Middle western and southern dairy farmers, however, are likely to feel not only the result of a lowered cream price but are also likely to lose a substantial portion of their cream market in New York, Philadelphia, and Boston. Shipments of cream from Middle Western and Southern States to New York, Boston, and Philadelphia in 1934 totaled 336,079 cans. Under the agreement with Canada 150,000 cans will be permitted to come into the country annually, thus displacing nearly 50 percent of the cream which the New York, Philadelphia, and Boston markets purchased last year from Middle Western and Southern States. Dairy farmers in the Middle Western and Southern States losing 50 percent of their market in New York, Boston, and Philadelphia will gain small comfort out of the statistical arguments that the imports represent less than one-tenth of 1 percent of the total annual production of the United States.

In addition to the foregoing I would like to add another paragraph from Mr. Holman's interesting pamphlet. On page 14 we find the following:

I have been advised by the president of one of our large livestock producer organizations that in a conference with livestock interests in Canada during the period when negotiations were going on he was told by the Canadian producers that if a way could be found to get rid of about 200,000 head of Canadian cattle the problem of the Canadian livestock producer would be solved. Apparently it was solved to the entire satisfaction of the Canadian livestock producer by our agreement to permit approximately 226,000 head of Canadian cattle to be imported into the United States annually.

Mr. George N. Peek, former Administrator of the A. A. A. and until a few months ago president of the Export-Import Banks and adviser to the President upon foreign trade, made the following analysis:

Distribution of concessions by commodity groups	Value of 1929 trade in articles upon which concessions are bound	
	Concessions by United States, \$307,894,400	Concessions by Canada, \$244,653,000
	Percent	Percent
Agricultural and forest products.....	83.8	22.6
Fishery products.....	2.9	.2
Mineral products.....	7.1	3.4
Manufactured and miscellaneous products.....	6.2	73.8

An examination of this analysis will disclose that the agricultural and forest products were sacrificed for the benefit of the manufactured and miscellaneous products. This is the outstanding fact against which we of the agricultural districts protest with all our might. It is idle and futile to prattle to us about the weaknesses of the Smoot-Hawley Tariff Act and the increases of prices since 1932 as neither statement squarely faces the issue which we raise.

Our main point of contention is this: The dairy interests of the United States should not be sacrificed for the sake of any other industry in the United States. We claim a right to furnish all the dairy products that are needed by our people and we have the ability and the desire to do so. To deprive us of that opportunity which rightfully belongs to us is an outrageous injustice against the dairy interests of our country. Our opponents on the Democratic side of the House have argued these matters by the hour but not one of them has made a defense or set up a justification for the sacrificing of the dairy interests for the benefit of somebody else. That is the outrage against which we raise our voice in protest. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SAUTHOFF] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, during the recent consideration of H. R. 11581, the District of Columbia appropriation bill for 1937, I was particularly interested in the educational features developed in the hearings of the subcommittee before whom this appropriation bill was considered, and was also interested in the debate that occurred upon the floor of the House with reference to education.

Perhaps this is because that for a period of 10 years I was a teacher in the public schools of Michigan; perhaps it is because as the father of two boys now in the public schools of my State I still retain my interest in education; perhaps it is because that for 14 years it was my privilege to devote from 1 to 3 nights a week to instructing more than 3,000 factory men and women in the General Motors Institute of Technology in Flint.

Education and the organization of our Government as exemplified by the adoption of our Constitution are identical in point of time.

In 1787 the ordinance of that year in creating the Northwest Territory specifically said:

Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

So that with the inception of this Government one of the heritages that we gave our boys and girls is that of an education. Therefore the hearings on this bill were of particular interest to me in its educational fields.

For some 15 years it was my privilege to serve upon the school board in the city of Flint and to become interested in the many educational problems that confronted our school system. We were fortunate in our staff of teachers and as a result of the splendid personnel that has developed there, our schools have been successful in the highest degree. There has been no taint of communism or radicalism connected with those schools. Our teachers were imbued with the ideas of Americanism and felt that their full problem was to instruct the pupils of our schools in the problems of Americanism. No question of facism, of socialism, of communism arose; just the plain everyday Americanism.

The Michigan educational system has had a similar experience. Our teachers in the public schools of Michigan have been real Americans and have been imbued with the principles of America. Michigan has had a wonderful career from the educational standpoint. Very few States in the Union can rival her in her pioneering in education. In fact, several of the great educational authorities of this country have placed Michigan in the forefront in the development of not only the common schools but the higher schools and universities. Michigan surely is one of the leaders in the educational program of America.

In 1817 the legislature sketched in detail a full program of education from primary school to university.

In 1827 she laid the foundations for the common schools of the State.

In 1837 the great University of Michigan was created with four departments—literature, science and arts, law, and medicine. This was pioneer work in many respects for all the world.

In 1848 Michigan added an institution for the instruction of the deaf, dumb, and blind, thus one of the first States in the Union to provide for the education of handicapped children.

In 1855 it organized an agricultural and industrial college, one of the first of such colleges organized in the United States.

In 1870 the doors of our university were opened to women, thereby completing the democracy of the scheme.

In the consideration of H. R. 11581 the testimony before the subcommittee disclosed the fact that there were 99,000 school children in the city of Washington.

In our State of Michigan we have 704,435 boys and girls in the elementary schools, up to and including the eighth grade. In the high schools we have a total of 223,705. In the colleges and universities, junior colleges, and teachers colleges we have a total of 38,981, making a grand total of 967,221 boys and girls, men and women enrolled in the school system of Michigan.

The boys and girls enrolled in the elementary schools of the United States, up to and including the eighth grade, according to the latest statistics available from the Office of Education, numbered 20,729,511. In the high schools a total of 5,656,412. In the colleges and normal schools, 1,154,117, making a grand total of boys and girls, men and women enrolled in the schools of the United States of 27,540,040.

How important it is that this splendid army of young people should be wisely instructed in those fundamentals that tend to produce thoroughgoing men and women.

During the last few years there has been apparent in this country certain radical tendencies, evidenced by socialistic and communistic talk, which have begun to make themselves apparent in a limited sense in some of the schools of our country.

In the report of the hearings on the District of Columbia appropriation bill I was surprised to find that certain textbooks and magazines contained statements communistic in their nature, or at least un-American in their nature. In one of the books available for use in the District of Columbia public schools the author, who has written several reports on education, said: "That the teachers should deliberately reach for power and then make the most of their conquest is my firm conviction." Further quoting, the author said: "Finally to be prepared as a last resort, in either the defense or the realization of this purpose, to follow the method of revolution." These quotations are taken from the writings of George S. Counts, who boldly advocates "the method of revolution" to establish a new pretense of democracy without "popular election of officials" or "the practice of universal suffrage."

I cannot conceive how the philosophy contained in these statements is applicable to our American public-school system. Up until a very recent time in American history our public schools were comparatively free from anything of a radical nature. During the last 2 or 3 years there has developed a certain type of educator who thinks that it is the proper thing to instill in the minds of American boys and

girls doubts as to the efficiency of American institutions and to supplant in their minds, if possible, the thought that the communistic practices of certain European countries are worth emulation. I have no use for any such doctrine. I have the utmost faith and confidence in the rank and file of the American teachers. I think that the great majority of our teachers are, first, American citizens and, second, desirous of instilling American principles in the minds of our pupils. I am not in sympathy with the movement toward communistic and socialistic propaganda centering around our schools.

There has been criticism of late upon the floor of the House because certain States have passed laws requiring the constitutional oath to be taken by the teachers of the public schools. I see no reason for the criticism of these laws. Our public-school teachers are paid from public money; they are to that extent public officers. It is the duty of a public officer to take an oath to support the Constitution of the United States and the State under which he is serving. All of the Members of this House took the constitutional oath to support the Constitution of the United States, and I feel sure that each Member took this oath gladly and willingly because we are American citizens and because we recognize that the Constitution is the fundamental law of the land.

Why, then, should a teacher have any objection to taking this constitutional oath? He, too, is a public official. He has the grave responsibility of instructing our boys and girls in their ideals of democracy and of Americanism. If our teachers are Americans, if they believe in the American system of government, if they are devoted to our Constitution and our laws, then they should gladly take the oath of office as willingly and as freely as we the Members of this House have taken it? I am always suspicious of any public official or public servant who hesitates to take the oath of office. I am wondering whether or not he has any secret evasions of mind that he does not want to divulge.

The State of Michigan has such a law, and I am glad to state that the great overwhelming majority of our teachers in the State have taken the constitutional oath freely and willingly. They have not felt that it has been subjecting them to any suspicions of disloyalty but is imposed upon them because they are public servants.

We all recognize the fact that in these days of depression the fathers and mothers of our public-school children are making supreme sacrifices to keep those boys and girls in school. Surely no hard-working father or mother would knowingly tolerate for a moment the teaching of communism in the public schools. They have a right to expect that every teacher drawing public pay is imbued with the American spirit and interested in the inculcation of those great principles which have produced America.

In conclusion I want to reaffirm my faith in the Constitution of the United States and to express my disapproval of insidious attacks upon it. I want to express my disapproval of fostering fascism and communism in this country. I want to keep the American schools free and clear of any foreign isms for the proper education of American boys and girls.

I am heartily in sympathy with the American's Creed, so ably formulated by William Tyler Page:

I believe in the United States of America as a Government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it; to support its Constitution; to obey its laws; to respect its flag; and to defend it against all enemies.

[Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. BLACKNEY] has expired.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, the legislative appropriation bill which we are bringing before you for your consideration today has been explained thoroughly and in a most



illuminating way by the chairman of our subcommittee, Hon. J. BUELL SNYDER, of Pennsylvania, and later Mr. POWERS, the minority member of the subcommittee, will treat the subject in his usual brilliant way, and I think there is very little, indeed, for me to say.

I feel that I should arise, however, if for no other purpose than to express a few words of merited praise for our subcommittee chairman, who is discharging this year for the first time the heavy duties devolving upon one who has charge of a supply measure. I have now accumulated some years' experience as a member of the Appropriations Committee and chairman of a subcommittee, and I want to say for Mr. SNYDER that I have never known a subcommittee chairman who had a higher regard for his responsibilities, whose aims and purposes were more conscientious, or whose performance was more faithful than his has been.

He is cast in such a mold that he could never be content with a mere perfunctory attention to the task at hand. His motto is thoroughness and to attain thoroughness he has spared no physical or mental exertion.

He has personally visited and inspected the various activities and services appropriated for in this bill, sometimes at hours when visits appeared to be unseemly, but when a personal call was best calculated to get a correct picture of the operations and needs of the service. With painstaking care he has checked up on everything that comes within the scope of this bill to ascertain whether the taxpayers' money is being well spent, and if not, why not; also to get a line on the actual need, if any, for additional appropriations and increases of appropriations requested in the estimates.

I think Mr. SNYDER's constituents and the people of the country ought to know that he has done a fine job on this bill. Eliminating, of course, any reference to myself, I may add that he has had perfect cooperation from a capable subcommittee including Mr. ZIONCHECK, of Washington, Mr. DICKWEILER, of California, and Mr. MORAN, of Maine, on the Democratic side, and Mr. POWERS, of New Jersey, who, with charming good humor, upholds the dignity of the minority party at the opposite end of the table. Strictly and truthfully speaking, there has been no politics in the deliberations of our subcommittee. We have sought to weigh factors in their true proportions and to reason together earnestly in order that we might reach conclusions that would be in the best interest of the entire country.

#### PHILOSOPHY OF ECONOMY

Briefly, this bill is framed in accordance with the philosophy which I think should govern the drafting of all of our appropriation bills, except when uncontrollable factors will not permit, and that is the philosophy of retrenchment in the cost of government, which is so important and vital at this time.

The bill before you does not "up" either the appropriations for the current fiscal year or the Budget estimates for the fiscal year 1937. On the contrary the total carried by this bill, \$23,366,168, is \$640,092.73 below the appropriations for the current fiscal year and \$877,203 below the Budget estimates for the next fiscal year. That is as it should be.

It will be encouraging to the taxpayers and to the business interests of the country, which are looking toward an ultimately balanced budget, to know that this bill carries no increase over either current appropriations or the budget and that on the contrary, the trend of appropriations carried by it is downward. It is true that the decreases projected into the totals of this bill are small, compared with the vast governmental outlays of recent times, but nevertheless I believe it will be welcome news to the country to learn that these totals are really decreases rather than increases.

On a bill in which so many items are statutory and therefore beyond the control of the appropriations subcommittee and so many others are fixed and rigid because they are maintenance and operation items, there is not a great deal of leeway to wield the pruning knife. We have made the most of the leeway we had.

#### ADVANCES WITHIN GRADES DISAPPROVED

In keeping with our determination to hold this bill down to minimum proportions we disapproved all estimates for

advances of salary within the grades. Altogether, in the various services and activities covered by the bill, there are 232 positions for which advances of salary within the grades were sought in the budget estimates and these advances would have imposed on the Treasury a total additional annual charge of \$18,020.

In view of the general situation throughout the country, the large public debt and the obvious necessity of retrenchment if we are ever to reach the goal of a balanced Budget, we did not feel that these advances in salaries could be justified at this time.

#### ELEVATOR ITEM DISALLOWED

At the expense, perhaps, of reducing our popularity in certain quarters not far removed from here we disallowed a large estimate of \$64,000 to construct two new elevators at the Senate wing, because we could not find any sound reason either in economy or necessity for such an improvement. On the contrary it seemed to us that this proposed project involves such a disruption of the structural features of the Capitol Building and so many major difficulties of construction, and seemingly has so little argument to justify it from the standpoint of actual necessity, that it should not be considered for a moment.

I think I may go farther and say that we were surprised that such a proposal had been seriously made. An idea of the extent to which the Capitol Building structure would have to be cut into and made over, in order to install these two proposed new elevators may be obtained from the testimony of David Lynn, Architect of the Capitol, who said in reply to a question by myself:

They would be placed alongside of each of the two existing elevators at the east entrance, Senate side. The work would consist of the construction of two new shafts extending from the third floor to the subbasement through heavy bluestone masonry and involving the cutting of walls and floors, as well as underpinning walls and footings. There is some ornamental decoration of ceilings and walls that may have to be disturbed. It will be necessary to support these walls and floors by heavy shoring during operations. It is estimated that each of the shaft openings will cost about \$12,000 and each elevator equipment about \$20,000, or a total of \$64,000.

There are 435 Members of the House and 96 Members of the Senate. The House gallery has a great deal larger capacity than the Senate gallery, yet despite these disparities there are now as many elevators in the Senate wing of the Capitol as in the House wing or, to be exact, four elevators in each wing.

Senators now have two private elevators, while Members of the House, though exceeding Members of the Senate more than four times in number, have only one private elevator. Your subcommittee could not see any justification for constructing two more Senate elevators, especially in view of the costly and difficult structural changes that would necessarily be involved. It seems that this is truly a type of expenditure which, if justified at all, could well await the return of better times and a more redundant Treasury.

#### CAUTION EXERCISED IN REGARD TO FEDERAL REGISTER

Another rather notable reduction in estimates by our subcommittee is in connection with the publication known as the Federal Register. This publication, which is authorized by act of Congress, is said to have had its origin in a side comment made by a distinguished Justice of the United States Supreme Court in connection with the famous "hot oil" case. The justice is credited with having made the observation that there are many orders issued by New Deal agencies, carrying penalties, which are unknown to the persons and business organizations who may violate them and the reason they are unknown is that they never have been published.

On this germ of an idea the Congress has provided by law for the broadest kind of publication of Executive orders, departmental regulations, and so forth, in a publication to be called the Federal Register.

There was presented to us the very practical problem of reaching some sort of a conclusion as to how much money shall be spent for this purpose, and this involved interpretations of the law which are made especially difficult by reason

of the fact that N. R. A. and A. A. A. have gone out of the picture through adverse Supreme Court decisions.

An idea of the tremendous magnitude of this publication enterprise may be obtained by the testimony of A. E. Giegengack, the Public Printer, in regard to the number of accumulated orders, proclamations, and regulations which would have to be printed in the Federal Register if the Act of Congress is to be obeyed literally. On this point Mr. Giegengack said:

It is impossible to give any idea as to what it will eventually cost to print the present accumulation of existing orders, proclamations, and regulations that now have the force and effect of law. It has been stated that there are literally truck loads of them and that the Archivist would need to increase his building 100 percent in order to hold them all.

You can see into what deep water we would be getting and what an enormous charge would be imposed upon the United States Treasury if this project is carried out to the full extent and implications of the act. Up to date, none of this material has been published.

The Budget sent us an estimate of \$300,000, of which, as nearly as we could ascertain, it was proposed that \$225,000 would be spent in printing the Federal Register daily during the next fiscal year and the remaining \$75,000 would be used as a start toward publishing the existing accumulation.

We decided not to attempt to publish any of the vast accumulation until the matter can be given further consideration, and we allowed \$150,000 to publish the Federal Register, covering orders issued daily, from July 1 next, the beginning of the next fiscal year, until February 28, 1937. It is believed that before the latter date Congress will have time to give further attention to the advisability and wisdom of putting a drain on the Federal Treasury the end of which no man can foresee.

#### FACTORS OF SAFETY INSURED

While our constant aim has been to economize, we have recognized that governmental activities cannot remain dead and dormant, but that certain appropriations are required to harmonize with progress and that equipment will wear out, requiring replacements. We have given the Doorkeeper of the House six additional pages, the first increase in the force of pages in this Chamber since the Fifty-sixth Congress, when there were 357 Members of the House. Now there are 435.

In recent years pages are used more than ever for messenger service which, although a great convenience to members of the House, has placed a heavy burden on the time and energies of the pages—a burden that has been increased by the construction of the New House Office Building. We believe this increase in the force of pages is amply justified. Where hazard to human life is involved we have made the appropriations necessary to insure the factors of safety, as, for instance, in an item of \$108,750, which we have allowed for new electrical substation switching equipment in the Capitol, Senate, and old House Office buildings, the testimony being that the existing equipment is obsolete, inadequate, and hazardous. In short, we have sought, in framing this bill, to provide every dollar to enable the various activities to function satisfactorily and to provide proper maintenance without appropriating a single dollar unnecessarily. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. Buck, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill H. R. 11691, the legislative appropriation bill, 1937, had come to no resolution thereon.

#### THE FEDERAL BUDGET

Mr. BACON. Mr. Speaker, the other day I received permission to extend my remarks in the RECORD. I was informed by the Government Printing Office that the extension exceeded the allowable amount by a quarter of a page, and that the cost involved is \$102. I, therefore, renew my request

to extend my remarks in the RECORD by inserting the matter referred to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

(The new Federal Budget and the Roosevelt administration's fiscal policies are discussed here in a critical analysis by the former Director of the Budget.)

By Lewis W. Douglas, former Director of the Budget

The Budget for 1937 is confused and open on both ends.

Fully to understand any event or act, it is necessary that there be an understanding of the environment in which that event or act occurs. So it is with the annual Federal Budget just submitted to Congress by the Executive. Consequently, before attempting an analysis of the Budget, it is appropriate to recall the historical setting in which it occurs. No attempt will be made to evaluate either the setting or the consequences of the performance. This is only a recitation of facts as nearly as they can be determined.

In July 1932 the Democratic Party in convention adopted a platform—"a covenant with the people to be faithfully kept by the party when entrusted with power"—which contained the following explicit commitment:

"We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues."

#### "ONE HUNDRED PERCENT" FOR ECONOMY

The Presidential candidate of the Democratic Party, in his speech to the convention, accepted the pledges of the party platform in the following unqualified language:

"I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent."

On October 19, 1932, in Pittsburgh, the Presidential candidate of the Democratic Party said:

"Would it not be infinitely better to clear this whole subject of obscurity—to present the facts squarely to the Congress and the people of the United States and secure the one sound foundation of permanent economic recovery—a complete and honest balance of the Federal Budget?"

"In all earnestness I leave the answer to your common sense and judgment."

"Now, I am going to disclose to you a definite personal conclusion which I adopted the day after I was nominated in Chicago. Here it is: Before any man enters my Cabinet he must give me a twofold pledge of:

"1. Absolute loyalty to the Democratic platform and especially to its economy plank.

"2. Complete cooperation with me, looking to economy and reorganization in his department."

"I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that Government can make to business."

To be sure, in the same speech he said:

"At the same time, if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the Budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of the additional amount."

But he also said in the concluding paragraph of the same speech, having to do with a balanced Budget and reduction of Federal expenditures:

"My friends, these have been unhealthy years for prophets, and I hasten to disclaim that role. But one thing I know. A powerful cause contributing to economic disaster has been this inexcusable fiscal administration and the obscurity and uncertainty that has attended and grown out of it.

"There it remains for all to see—a veritable cancer in the body politic and economic.

"Is it prophecy to assure you that if we remove this destructive growth we shall move on to better things?"

"To my mind this is so plain and persuasive as scarcely to be open to argument. As I said in the beginning, this is the one field in which business is wholly in the grip of Government.

"By the same token, it is the one field where Government can make the greatest possible present contribution to recovery. To this contribution I here pledge the utmost of my faith and my ability.

"I am as certain as mortal man can be certain of anything in the future that from the moment that we set our hands openly and frankly and courageously to this problem, we shall have reached the end of our long, hard downward road and shall have started on the upward trail."

In 1932, when the Democratic platform was adopted, when that platform was accepted by the Democratic nominee, and when that nominee made his commitments with respect to reduction of expenditures and the balancing of the Budget, there were some 12,000,000 unemployed and there was widespread human distress and suffering.



## "IMMEDIATE ECONOMY"—AND LATER

On March 10, 1933, after the Democratic nominee had become the occupant of the White House, and when unemployment was at its peak, the Economy Act, accompanied by a message, was sent to the Congress. In that official document he stated:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger. . . . We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy. . . ."

"I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government."

But some 15 months later the expenditures had increased over \$2,000,000,000, as compared with 1932, and the revenue fell short of covering expenditures by the sum of \$3,989,496,035.

On January 3, 1934, the occupant of the White House submitted to the Congress his annual Budget message and Budget, in which he stated:

"My estimates for the coming fiscal year (1935) show an excess of expenditures over receipts of \$2,000,000,000. We should plan to have a definitely balanced Budget for the third year of recovery (1936) and from that time on seek a continuing reduction of the national debt."

But the actual deficit for 1935 was \$3,575,357,963, while the revised Budget for 1936, instead of being in balance, shows estimated expenditures to be in excess of revenues by \$3,234,507,392.

On January 3, 1935, in the Executive's annual Budget message, no mention was made of an equilibrium between expenditures and receipts.

On January 6, 1936, in the annual Budget message and accompanying Budget schedules for 1937, there is given only the hope that at some time in the future deficits will be eliminated.

This is the whole setting necessary for an understanding of the Budget for 1937. No; this is not quite the whole setting.

When in the late spring of 1933 a great spending program was adopted, the expenditures were divided into two categories: First, those for the operation of the regular, permanent departments and agencies of government; second, those for relief and for the emergency. To be sure, the books showed but one deficit, but spokesmen have made much of the distinction, as though a government could conceal its financial operations by legerdemain better than could the Insull utilities.

This is the environment and the inheritance of the Budget for 1937.

## SOME BUDGET FIGURES

The following analysis is divided into the following headings: (1) Expenditures, so-called regular Budget; (2) expenditures, so-called recovery and relief Budget; (3) expenditures, total Budget; (4) receipts; (5) deficit; (6) recoverables; (7) recapitulation.

## (1) Expenditures, so-called regular Budget.

Among the regular expenditures, the Budget carried estimates of benefit payments to farmers under the Agricultural Adjustment Administration Act. At the very time that the Budget was being read to the Congress the Supreme Court was declaring the Agricultural Adjustment Administration Act to be unconstitutional.

As a consequence, revenues to be derived from processing taxes are no longer available, while newspaper accounts indicate that expenditures on account of contracts already made and refunds (if any) of taxes illegally collected are to continue.

Nor is this quite all. The Civilian Conservation Corps, heretofore during the regime of the New Dealers carried in the so-called emergency and relief Budget, has been transferred to the regular Budget. Moreover, Public Works expenditures, in part, though perhaps not in sufficient amount, have been shifted into the regular departmental Budget from the emergency Budget. And, finally, expenditures on account of the Social Security Act, the Bituminous (Guffey) Coal Act, the Railroad Retirement Pension Act have become permanent fixtures of the regular departmental expenditures.

## I

The expenditures of the regular departments as estimated in the Budget are as follows:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900
Agricultural Adjustment Administration.....	619,347,000
Civilian Conservation Corps.....	220,000,000
Debt charges.....	1,385,125,000
Supplemental items (social security, railroad pensions, etc.).....	600,000,000
Refunds.....	49,403,100
Total.....	5,649,781,738

## II

When these are adjusted to the Supreme Court decision on the Agricultural Adjustment Administration Act, they become as follows:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900

Agricultural Adjustment Administration.....	\$250,000,000
(Amount necessary to pay farmers for contracts already performed.)	
Civilian Conservation Corps.....	220,000,000
Debt charges.....	1,385,125,000
Refunds.....	49,403,100
Supplemental items.....	600,000,000

Total..... 5,280,434,738

\* Press account estimate.

## III

In order that comparison may be had with previous regular Budgets, the following table contains expenditures for 1937 after eliminating expenditures for the recent additions to the regular Budget; that is, the so-called Security Act, the Guffey Coal Act, Railroad Pension Act, the Agricultural Adjustment Administration, and the Civilian Conservation Corps:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900
Debt charges.....	1,385,125,000
Refunds.....	49,403,100

Total..... 4,210,434,738

## IV

COMPARATIVE BUDGETS  
(Trust funds excluded)

1927, total expenditures.....	\$3,446,000,000
1928, total expenditures.....	3,581,000,000
1929, total expenditures.....	3,794,000,000
1930, total expenditures.....	3,947,000,000
1931, total expenditures.....	4,158,000,000
1932, total expenditures, exclusive of \$500,000,000 for R. F. C. and \$125,000,000 for Federal land banks.....	4,261,000,000
1933, total expenditures, exclusive of recovery and relief, etc.....	3,866,000,000
1934, total expenditures, exclusive of recovery and relief, etc.....	2,822,000,000
1935, total expenditures, exclusive of recovery and relief, etc.....	3,128,000,000
1936, total expenditures, exclusive of recovery and relief, etc., estimated.....	3,547,000,000
1937, total expenditures, exclusive of recovery and relief, etc., and new items for purpose of comparison; estimated.....	4,210,000,000

## HOW GOVERNMENT COSTS INCREASE

The estimated cost of operating the regular departments of Government under the 1937 Budget, as submitted and adjusted to the Supreme Court A. A. A. decision, is \$5,280,434,738, or \$504,201,587 more than the estimate for 1936; \$2,458,700,126 more than the actual for 1934; and over \$1,800,000,000 more than the actual for 1927.

And according to the previous tables, under the most favorable construction, the estimated cost of operating the regular establishments for 1937, without the new additions, is \$663,000,000 more than the estimate for 1936, \$1,388,000,000 more than the actual for 1934, and \$764,000,000 more than the actual for 1927.

(2) Expenditures, so-called recovery and relief budget in the extraordinary or relief and emergency category of expenditures, the 1937 Budget carries estimates of expenditures in the amount of \$1,103,000,000. This item represents expenditures from unexpended balances of previous emergency appropriations. Supporting schedule 2B of the Budget shows the unexpended balances as of October 31, 1935, to be \$6,539,676,708, and the unallocated funds to be only \$23,852,131. What has become of, and what is to be done with the remaining \$6,516,000,000?

The sum of \$878,000,000 of the \$1,103,000,000 is all absorbed in the following general categories: Public works, aids to home owners, miscellaneous, \$225,000,000 is carried simply as unallocated funds, available October 31, 1935, and thereafter.

In the category of relief and emergency, no expenditure is estimated either for relief of the unemployed or for Works Progress Administration. The month of December Treasury daily statement shows an expenditure of \$119,000,000 for Works Progress during that single month. This is at the rate of approximately \$1,440,000,000 a year. The estimate for 1936 shows estimated expenditures for this purpose of \$1,000,000,000. But the program was not fully operative until December, or until 5 of the 12 months of the fiscal year 1936 had elapsed. One billion five hundred million is, therefore, not an exaggerated estimate of the total annual cost. Assuming a reduction in unemployment of 25 percent during the fiscal year 1937 and a corresponding reduction of expenditures, an additional \$1,100,000,000 is required to be appropriated for and expended during 1937. Given the standards of compensation and the present method of administering relief moneys, this figure represents the minimum.

## RELIEF EXPENDITURES LATER

There are many reasons for doubting that this figure will be the actual one. For example, in the Budget message itself the following language is to be found: " \* \* \* second, that if work-relief appropriations by this session of the Congress were made up to a total of \$2,136,000,000, the total gross deficit for the fiscal year

1937 would not exceed that of 1936, which was the lowest gross deficit of the past 3 years. Therefore, it follows that by whatever amount the appropriation for work relief at this session is less than \$2,136,000,000, the gross deficit for 1937 will be less than the deficit for 1936 by the same amount.

"With this limitation and this excellent prospect clearly in mind, I am not including in this Budget estimates for additional relief appropriations. I shall transmit such estimates with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make the necessary appropriations."

Several questions arise: First, is this language an invitation to appropriate \$2,136,000,000 instead of the \$1,100,000,000 here estimated? Second, if it is difficult in January of 1936 to estimate the expenditure for relief during 1937, why was it so easy in January of 1935 to make an estimate of \$4,880,000,000 for relief expenditures in 1936? And, third, is it such an "excellent prospect" to look forward to a deficit in 1937 approximating the deficit of 1936? Three billion dollars and more is still a staggering sum of money, and in 1937 is as "destructive" a deficit as it was in 1932.

But notwithstanding doubts and questions "however reasonable", it is only fair—perhaps too fair—to assume an additional expenditure of \$1,100,000,000 for relief and Works Progress Administration. On this basis, the unemployment relief, P. W. A., C. W. A., and W. P. A. expenditures for the years 1932-37 are as follows:

1932	\$507,000,000
1933	772,000,000
1934	2,157,000,000
1935	2,954,000,000
1936 (estimated)	2,536,000,000
1937 (Budget estimate plus \$1,100,000,000)	2,203,000,000

If, of course, the expenditures for unemployment relief and W. P. A. exceed \$1,100,000,000 in 1937, then the total will be correspondingly increased. But it is only fair to give the Budget every benefit of reasonable doubt.

It is to be noted that in the emergency Budget, net R. F. C. repayments and other repayments amount to \$251,139,100 and are credited against emergency and relief expenditures.

#### BUDGET FORECASTS

Thus the emergency and relief budget looks somewhat as follows:

Agricultural aid:	
Federal land banks	\$64,000,000
Relief	
Public works	887,963,732
Aids to home owners, including resettlement	231,000,000
Miscellaneous	10,000,000
Unallocated funds available Oct. 31, 1935, and thereafter	225,000,000

Total	1,417,963,732
Add W. P. A. and relief	1,100,000,000
	2,517,963,732

Deduct:	
Excess credits: F. C. A. and Commodity Credit Corporation	190,139,100
R. F. C.	125,000,000
Total	315,139,100

Total, emergency and relief budget

#### (3) EXPENDITURES, TOTAL BUDGET

When the regular expenditures are added to the emergency budget the total is somewhat as follows:

Regular (A. A. A. payments only in amount \$250,000,000)	\$5,280,434,738
Emergency	2,202,824,632
Total	7,483,259,370

If to this there be added the bonus of \$2,000,000,000, no matter how paid, and A. A. A. refunds, and expenditures for any purpose not estimated, then the expenditures will be even greater.

#### COSTS AND REVENUES

But even at best, and deciding every doubt in favor of lower expenditures, the following table shows how the cost of Government has been continuously mounting:

Total expenditures	In millions
1927	\$3,446
1931	4,158
1932	4,886
1933	5,143
1934	7,105
1935	7,376
1936 (estimated)	7,645
1937 (estimated)	7,483

#### (4) RECEIPTS

The total estimated revenue for 1937 is \$5,654,217,650. Perhaps the increase other than from new taxes is optimistic. From this total, however, A. A. A. processing tax revenues amounting to \$547,300,000 must be deducted because of the Supreme Court

decision. Thus the estimated revenues are \$5,106,917,650. After deducting processing taxes from the 1936 estimates that represents an increase of \$1,225,165,704 over the 1936 estimates. But \$769,100,000 is due to the following new taxes levied in 1935:

Social security taxes	\$433,200,000
Railroad employees' retirement taxes	101,600,000
Bituminous coal tax	12,300,000
Increased taxes, 1935 Revenue Act	222,000,000

Total 769,100,000

Thus only \$456,065,704 is due to recovery.

#### Comparative receipts

	In millions
1933	\$2,080
1937	5,107

#### URGES ADDITIONAL TAXES

It will be recalled that the Budget contains no 1937 estimate of expenditures for relief or Works Progress Administration. Yet the Budget message contains the following language: "If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges."

Does this mean that the additional estimate of appropriations and expenditures for relief to be submitted later to the Congress is to be accompanied by a corresponding increase in taxes?

#### (5) DEFICIT

A reconstruction of the Budget based on the foregoing analysis is as follows:

Expenditures:	
Regular (A. A. A. only to fill contracts)	\$5,280,434,738
Relief and emergency	1,102,824,632
Additional W. P. A. and unemployment relief	1,100,000,000
Total expenditures	7,483,259,370
Receipts:	
Total (omitting A. A. A.)	5,106,917,650
Deficit	2,376,341,720

Obviously, unless additional taxes are imposed, any additional expenditures, whether for the bonus, farm subsidies, or what not, will correspondingly increase the deficit.

#### (6) RECOVERABLES

The following table shows the deficits for the years 1931-37 and the amount of the deficits accounted for by Reconstruction Finance Corporation recoverable expenditures:

Year	In millions	Recoverable Reconstruction Finance Corporation expenditures
1931	\$902	None
1932	3,148	\$767
1933	3,063	979
1934	3,989	1,274
1935	3,575	1,135
1936	3,234	1,215
1937	2,376	1,251

<sup>1</sup> Net repayment (including agricultural items, Commodity Credit Corporation).

Consequently recoverables are now being used to meet current expenditures.

#### (7) Recapitulations.

In concise form, the record discloses:

(1) An administration committed in 1932 and 1933 to "a complete and honest balance of the Federal Budget and reduction of expenditures as the greatest possible present contribution to recovery."

(2) During the last of the 4 years of responsibility regular expenditures greater than during any preceding peacetime year.

(3) Total expenditures for the last year of office approximately two and a quarter billion dollars greater than in 1933.

(4) Liquidation of assets to pay for current expenditures.

(5) An accumulated 4-year deficit of more than \$13,000,000,000.

(6) For the last of the 4 years of responsibility a deficit of approximately \$2,400,000,000.

(7) Revenues during the last of the 4 years of responsibility approximately \$3,000,000,000 more than in 1933.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROMJUE, indefinitely, on account of illness in his family.

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and



H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and  
S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago.

#### ADJOURNMENT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 11, 1936, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

703. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Manomet Point, Plymouth Harbor, Mass., with a view to constructing a breakwater, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

704. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Lewis Creek, Ohio County, Ky., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. H. R. 11072. A bill authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; without amendment (Rept. No. 2148). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 10985. A bill to repeal Public Law No. 246 of the Seventy-second Congress; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRIVER: Committee on Rules. House Resolution 446. A resolution for the consideration of S. 3998; without amendment (Rept. No. 2150). Referred to the House Calendar.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11669) granting a pension to Annie Callahan, and the same was referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 11714) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 11715) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. DIMOND: A bill (H. R. 11716) to extend the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. LEMKE: A bill (H. R. 11717) prohibiting the making of any form of vaccination or inoculation a condition

precedent to admission to any public or private school or college or the exercise and enjoyment of any right or privilege in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCLELLAN: A bill (H. R. 11718) authorizing the Secretary of War to correct certain records relating to the service of officers and enlisted men of the Union and Confederate Armies; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 11719) to readjust the pay of warrant officers; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11720) relating to pay and promotion of noncommissioned officers of the Army; to the Committee on Military Affairs.

By Mr. SMITH of Washington: A bill (H. R. 11721) to provide for the construction of a post-office building at Winlock, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. TERRY: A bill (H. R. 11722) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

By Mr. CONNERY: A bill (H. R. 11723) to provide educational employees of the public schools of the District of Columbia with leave of absence with part pay for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAVERICK: A bill (H. R. 11724) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. PIERCE: A bill (H. R. 11725) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. BULWINKLE: A bill (H. R. 11726) to continue in effect a certain lease for the quarters of the post office, at Grover, N. C., and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN: A bill (H. R. 11727) to provide for the national defense by promoting the development and improvement of military aircraft, and for other purposes; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 11728) to provide for the removal of the monument to Casimir Pulaski from the triangle at Pennsylvania Avenue, Thirteenth Street, and E Street NW, to the east end of the triangle formed by Pennsylvania Avenue, E Street, and Fifteenth Street, in the city of Washington, D. C., and to authorize the appropriation therefor; to the Committee on the Library.

By Mr. McGEHEE: A bill (H. R. 11729) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEA of California: A bill (H. R. 11730) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. KENNEY: Resolution (H. Res. 444) authorizing the Committee on the Judiciary to investigate the feasibility of rehabilitating convicted criminals by requiring them to live a pioneer life on penal islands; to the Committee on Rules.

By Mr. MAY: Resolution (H. Res. 445) authorizing the Committee on Military Affairs to investigate the removal from command of Maj. Gen. Johnson Hagood; to the Committee on Rules.

By Mr. BELL: Resolution (H. Res. 447) authorizing the expenditure of not more than \$50,000 by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension schemes, authorized by House Resolution 443; to the Committee on Accounts.

By Mr. McGROARTY: Resolution (H. Res. 448) to make H. R. 7154, a bill which has for its purpose the paying of a reasonable old-age pension and more liberal distribution of the purchasing power of the people of this Nation, a special order of business; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H. J. Res. 518) making appropriations for the fabrication, transportation, and erection of the Navy and Marine Memorial Monument; to the Committee in Appropriations.

Also, joint resolution (H. J. Res. 519) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; to the Committee on the Library.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the hospitalization and treatment of honorably discharged war veterans; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Mississippi, regarding the allocation of Works Progress Administration funds for the erection of cold-storage plants and warehouses in the State of Mississippi; to the Committee on Appropriations.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 11731) for the relief of LaVantia H. Simmons; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 11732) for the relief of Minnie M. Sears; to the Committee on Claims.

By Mr. DOXEY: A bill (H. R. 11733) for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 11734) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 11735) for the relief of Charles H. Kinzie; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H. R. 11736) granting a pension to Kelly Rister; to the Committee on Pensions.

By Mr. WILCOX: A bill (H. R. 11737) for the relief of the National Surety Co.; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10468. By Mr. ANDREW of Massachusetts: Memorial of the General Court of Massachusetts, protesting against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10469. By Mr. COLDEN: Letter signed by H. A. Farmer, secretary, Industrial Union of Marine and Shipbuilding Workers of America, Local No. 9, 401 Harbor Boulevard, San Pedro, Calif., dated February 29, 1936, with copy of resolution mentioned therein alleging noncompliance of the Bethlehem Shipbuilding Corporation and its subsidiaries with the Wagner-Connery Act, and asking that the House of Representatives call upon the Navy Department to cancel all existing contracts and refuse to enter into other contracts with the Bethlehem Shipbuilding Corporation or its subsidiaries until such time as this corporation complies with the law; to the Committee on Labor.

10470. By Mr. FISH: Petition of 44 residents residing on the main highway, on the outskirts of Newburgh, N. Y., protesting against the statements of a number of members of the Committee on the Post Office and Post Roads eulogizing the services of the Post Office Department; their grievances are that the Post Office Department formerly had four rural carriers, serving these patrons, who received their mail between the hours of 9 and 11 a. m., whereas now there are only three rural carriers, and mail service is unsatisfactory, the morning mail being delivered in some instances as late as 6 p. m.; to the Committee on the Post Office and Post Roads.

10471. By Mr. GOODWIN: Petition of the Livingston Manor Grange, No. 1426, Sullivan County, N. Y., unanimously opposing the so-called water-carriers bill; to the Committee on Interstate and Foreign Commerce.

10472. By Mr. GRAY of Pennsylvania: Petition of citizens and patrons of star route no. 10272, from Indiana to Cherry Run, Armstrong County, Pa., requesting enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10473. By Mr. JOHNSON of Texas: Petition of J. E. Hintz, of Mexia, Tex., favoring extension of title I of the National Housing Act; to the Committee on Banking and Currency.

10474. By Mr. LAMBETH: Petition signed by 54 patrons of star route no. 18388, Denton to Eldorado, N. C., asking for the enactment of legislation that will indefinitely extend all existing star-route contracts and for increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10475. By Mr. LESINSKI: Resolution of the directors of the Oil and Gas Association of Michigan, urging the enactment of House bill 10483, providing for a limitation of the imports of crude petroleum and increase in the excise tax for crude oil and refined products imported into this country; to the Committee on Interstate and Foreign Commerce.

10476. Also, resolution of the Michigan Association of Road Commissioners and Engineers, urging the Michigan Representatives to Congress to support the continuation of Federal aid to the States at the minimum of \$125,000,000 per year; to the Committee on Appropriations.

10477. Also, resolution of the Michigan Retail Lumber Dealers Association, Lansing, Mich., urging the extension of title I of the National Housing Act for a 2-year period beyond April 1, 1936; to the Committee on Banking and Currency.

10478. By Mr. MAVERICK: Petition of residents of Berea, Ky., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10479. Also, petition of residents of Toledo, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10480. Also, petition of residents of Madison, Wis., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10481. Also, petition of residents of Cincinnati, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10482. Also, petition of residents of Summerfield, Kans., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10483. Also, petition of residents of Yellow Springs, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10484. Also, petition of residents of Newark, Wilmington, Elmhurst, and Richardson Park, Del., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10485. Also, petition of resident of Durand, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10486. Also, petition of residents of Bloomington, Ind., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10487. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the



Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10488. Also, petition of residents of Pontiac, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10489. By Mr. SCOTT: Petition of residents of Penryn and Newcastle, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10490. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10491. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10492. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10493. By Mr. SHORT: Petition of 31 residents of Douglas County, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10494. By Mr. TAYLOR of Colorado: Petition of citizens of Clark and Hahns Peak, Colo., requesting passage of legislation indefinitely extending all existing contracts for star-mail routes, etc.; to the Committee on the Post Office and Post Roads.

10495. By Mr. THOMASON: Petition of citizens of Valentine, Tex., urging passage of House bill 10663, seeking to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

10496. By Mr. WOLVERTON: Petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.

10497. Also, petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.